



UGU DISTRICT MUNICIPALITY  
INTEGRATED DEVELOPMENT PLAN  
2007/08-2011/12

AS REVIEWED AND REVISED IN 2008



UGU DISTRICT MUNICIPALITY

INTERGRATED DEVELOPMENT PLAN (IDP) REVIEW

2008/09

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## GLOSSARY

AG	Auditor General
AIDS	Acquired Immune Deficiency Syndrome
ART	Antiretroviral therapy
ARV	Antiretroviral
ASGISA	Accelerated Shared Growth Initiative of South Africa
BBBEE	Broad Based Black economic Empowerment
CFO	Chief Financial Officer
DBSA	Development Bank of Southern Africa
DEAT	Department of Environmental Affairs and Tourism
DFA	Development Facilitation Act
DFID	Department for International Development
DLA	Department of Land Affairs
DLGTA	Department of Local Government and Traditional Affairs
DM	District Municipality
DoH	Department of Housing
DoL	Department of Labour
DWAF	Department of Water Affairs & Forestry
EMP	Environmental Management Plan
EPWP PSC	EPWP Provincial Steering Committee
EPWP	Expanded Public Works Programme
FBS	Free Basic Services
FET	Further Education and Training
HH	Households
HIV	Human Immuno-deficiency Virus
HR	Human Resources
ICT	Information Communications Technologies
IDP	Integrated Development Plan
IDPRF	Integrated Development Plan Representative Forum
IGR	Inter Governmental Relations
ISRDP	Integrated Sustainable Rural Development Programme
KZN	KwaZulu-Natal
LED	Local Economic Development
LGSETA	Local Government SETA
LM	Local Municipality
LRAD	Land Redistribution Programme
LUF	Land Use Framework
LUMS	Land Use Management System
MDG	Millennium Development Goals
MIG	Municipal Improvement Grant
MLL	minimum Living Level
MM	Municipal Manager
MPA	Municipal Plan of Action
MSIG	Municipal Systems Improvement Grant
NSDP	National Spatial Development Perspective
OHS	Occupational Health and Safety
PC	Project Consolidate
PCPMU	Project Consolidate Project Management Unit
PGDS	Provincial Growth and Development Strategy

PMS	Performance Management System
PMTCT	Prevention of Mother to Child Transmission
PSEDS	Provincial Spatial Economic Development Strategy
RDP	Reconstruction and Development Programme
SANRAL	South African National Roads Agency Limited
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SIC	Standard Industrial Codes
SLA	Sustainable Livelihood Approach
STATSSA	Statistics South Africa
ToR	Terms of Reference
VCT	Voluntary Counselling and Testing

#### GLOSSARY OF LEGISLATIVE ENACTMENTS

The Constitution	South African Constitution Act 108 of 1996
The Systems Act	Municipal Systems Act No 32 of 2000
The Structures Act	Municipal Structures Act No 117 of 1998
DFA	Development Facilitation Act No 67 of 1995
MFMA	Municipal Finance Management Act No 56 of 2003



# 1. CHAPTER 1 - INTRODUCTION AND OVERVIEW

## 1.1. INTRODUCTION

An Integrated Development Plan (IDP) is one of the key tools for Local Government to achieve its developmental role. It seeks to arrive at decisions on issues such as municipal budgets, land management, promotion of local economic development and institutional transformation in a consultative, systematic and strategic manner. During 2007/08 the Ugu District Municipality drafted a comprehensive 5 year IDP in terms of Chapter 5 of the Municipal Systems Act, 2000. Section 34 of the said Act requires all municipalities to annually review and amend its IDP. This is to be done in accordance with an assessment of its performance measurements in terms of Section 41 of the Act and to the extent that changing circumstances so demand.

The IDP Review for 2008/09 is prepared in terms of the Local Government: Municipal Systems Act (Act No 32 of 2000). In line with the provisions of the Act, the Council adopted its IDP Review Framework and Process Plan in August 2007. It further, made an invitation via the media for members of the public to register their interest to participate as interest groups.

An IDP is a strategic plan for local government and uses the national policy and legislative imperative to analyse development challenges and propose interventions for the area of a municipality's jurisdiction. An IDP is a single inclusive strategic plan for municipalities that:

- Integrates and co-ordinates service delivery within a municipality,
- Forms the general basis on which annual budgets must be based,
- Aligns the resources and capacity of the municipality within the implementation of the plan,
- Assist a municipality in fulfilling its constitutional mandate as a developmental local government, and
- Facilitates the process of democratisation through vigorous public participation.

During the preparation of the five year IDP in 2007/2008 the Council adopted a long term vision and mission. Through the vision and the mission the Council expresses the desired future state for the district and commit how it is going to work toward achieving this.

### VISION

A non-discriminatory society of healthy and empowered people living in a safe, transformed and sustainable environment, underpinned by a thriving and growing economy in which all participate and benefit fairly and equitably.

### MISSION

Enhancing our performance and work ethic to reach world-class standards, by placing emphasis on customer satisfaction and total quality management of all resources at our disposal.

## 1.2. BASIC MUNICIPAL INFORMATION

The Ugu District Municipality comprises of six local municipalities which are Ezingoleni, Umuziwabantu, Hibiscus Coast, Umdoni, Umzambe and Vukuthi. The municipality is 5 866 km<sup>2</sup> in extent. It has a population density of 142 persons per km<sup>2</sup> which is higher than the provincial average of 104 people per km<sup>2</sup>. The salient baseline information with specific information to demographics, shows that the population as of 2001 is 704 028. The population growth for the District is estimated to be 0.8% per annum (Stats SA: 2001). As a result, the estimated population projection up to 2011/12 is as follows:

TABLE 1: POPULATION PROJECTIONS (AT 0.8% GROWTH RATE)

YEAR	POPULATION
2001/ 2002	704 028
2002/ 2003	709 660
2003/ 2004	715 337
2004/ 2005	721 060
2005/ 2006	726 828
2006/ 2007	732 643
2007/ 2008	738 504
2008/ 2009	744 412
2009/ 2010	750 367
2010/ 2011	756 370
2011/ 2012	762 420

## 1.3. POWERS AND FUNCTIONS

The powers and functions of local government (both District and Local Municipalities) are reflected in the list that follows. This is based on the provisions of the Municipal Structures Act 117 of 1998 (as amended) and the Municipal Demarcation Board. It must be noted that the allocation of powers and functions does not include the adjustments by the MEC following the recommendations of the Municipal Demarcations Board.

1. Air Pollution (Local Function)
2. Building Regulations (Local Function)
3. Child Care Facilities (Local function)
4. Electricity Reticulation (District function)
5. Fire Fighting Services (Shared Function)
6. Local Tourism (Shared Function)
7. Municipal Airports (Shared Function)
8. Municipal Health Services (District Function)
9. Municipal Public Transport (Shared Function)
10. Pontoons, Ferries, Jetties, Piers and Harbours (Local Function)
11. Storm Water Management Systems in Built up Areas (Local Function)
12. Trading Regulations (Local Function)
13. Potable Water (District Function)
14. Sanitation (District Function)
15. Billboards and the Display of Advertisements in Public Places (Local Function)
16. Cemeteries, Funeral Parlours and Crematoria (Shared Function)
17. Cleansing (Local Function)

18. Control of Public Nuisances (Local Function)
19. Control of Undertakings that Sell Liquor to the Public (Local Function)
20. Facilities for the Accommodation, Care and Burial of Animals (Local Function)
21. Fencing and Fences (Local Function)
22. Licensing of Dogs (Local Function)
23. Licensing and Control of Undertakings that sell food to the public (Local Function)
24. Local Amenities (Local Function)
25. Local Sport Facilities (Local Function)
26. Markets (Shared Function)
27. Municipal Abattoirs (Shared Function)
28. Municipal Parks and Recreation (Local Function)
29. Municipal Roads (Shared Function)
30. Noise Pollution (Local Function)
31. Pounds (Local Function)
32. Public Places (Local Function)
33. Refuse Removal, Refuse Dumps and Solid Waste (Shared Function)
34. Street Trading (Local Function)
35. Street Lighting (Local Function)
36. Traffic and Parking (Local Function)

#### 1.4. LEGISLATION AND POLICIES

Key legislative framework informing this IDP Process is as follows:

The Constitution of the Republic of South Africa (Act No 108 of 1996): Section 152 of the Constitution provides the objectives of local government to be:

to provide democratic and accountable government for local communities;  
 to ensure the provision of services to communities in a sustainable manner;  
 to promote social and economic development;  
 to promote a safe and healthy environment; and  
 to encourage the involvement of communities and community organisations in the matters of local government.

While working to achieve these objectives, municipalities are also expected to transform its approach and focus to be developmental in nature (section 153). To do this, the Constitution requires a municipality to:

structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community;  
 participate in national and provincial development programmes; and  
 together with other organs of state contribute to the progressive realisation of fundamental rights contained in sections 24 to 27 and 29.

White Paper on Local Government (1998): The White Paper establishes the basis for a new developmental local government and characterises it as a system, which is committed to working with citizens, groups and communities to create sustainable human settlements which provide for a decent quality of life and meet the social, economic and material needs of communities in a holistic way.

To achieve developmental outcomes will require significant changes in the way local government works. The White paper further puts forward three interrelated approaches which can assist municipalities to become more developmental:

- Integrated development planning and budgeting.
- Performance management.
- Working together with local citizens and partners.

Municipal Systems Act (Act No 32 of 2000): This is the key legislation that gives direction and guidance on the development processes of the IDP. Chapter five of the act details the process as follows: Section 25(1) mandates that each municipal council must, upon election, adopt a single, inclusive and strategic plan which:

links, integrates and co-ordinates plans;  
aligns the resources and capacity with the implementation of the plan.

Section 27 mandates the district municipality, in consultation with the local municipalities, to adopt a framework for integrated development planning, which shall bind both the district municipality and its local municipalities.

On the basis of the agreed framework plan, Section 28 mandates that each municipal council must adopt a process plan to guide the planning, drafting and adoption and reviewing of its integrated development plan.

Once the IDP document has been prepared, it must be reviewed annually as indicated in section 34 (reflected below):

A municipal council must review its integrated development plan annually in accordance with an assessment of its performance measurements in terms of section 41; and  
to the extent that changing circumstances so demand; and  
May amend its integrated development plan in accordance with prescribed process.

Municipal Structure Act (Act No 117 of 1998): The Act directs how municipalities are to be structured and sets out the purpose and objectives of these structures i.e. powers and functions and procedural matters when these structures conduct business.

Disaster Management Act (Act No 57 of 2002): The main features of disaster management are described as preventing or reducing disasters, mitigation preparedness, response, recovery and rehabilitation.

The Disaster Management Act, 2002, provides for the declaration of disasters through national, provincial and local level government. For example, in the case where Provincial and Local authorities have determined that a disastrous drought occurred or threatens to occur, the disaster management centre of both the province and local municipality must immediately:

- initiate efforts to assess the magnitude and severity or potential magnitude and severity of the disaster;
- inform the national centres of the disaster and its initial assessment of the magnitude and severity or potential magnitude and severity of the disaster;
- alert disaster management role-players in the province that may be of assistance in the circumstances; and,

- initiate the implementation of any contingency plans and emergency procedures that may be applicable in the circumstances.

Municipal Finance Management Act (Act No 56 of 2003) (MFMA): Arguably the two most critical aspects addressed by the MFMA are the transformation of procurement regime and alignment of budgeting and the IDP, as well as related performance management mechanisms. With regard to the latter, chapter five of the MFMA identify specific IDP timeframes that are linked to budgeting time frames. The legislation also introduces corporate governance measures to local government.

Local Government: Municipal Planning and Performance Management Regulations, 2001: To develop further guidelines and clarity in the issues of integrated development planning, regulations were issued in 2001. The Municipal Planning and Performance Management Regulations set out in detail requirements in terms of content for IDPs.

### 1.5. CHALLENGES IN THE IDP 2007 – 2012

The 2008/2009 IDP Review started in earnest and focused on improving the implementability of the recently adopted 5 year IDP. Critical shortcomings identified in the preparation of the 5 year IDP adopted in 2007 included:

A low level of participation in the IDP process of sector departments (attendance to IDP Representative Forums).

The resultant non-alignment of the municipality's investment and development intentions with that of the sector departments, who control the major part of the public sector financial resources.

The data used was inconsistent, in some instances outdated, and at a scale not useful for municipal planning.

A process plan for the 2008/2009 IDP Review was prepared with the above issues in mind. The process plan was adopted by the Council at a meeting in August 2007. Monthly IDP meetings have been held since then, dealing with different aspects of IDP and related sector planning. Some of the activities undertaken to close the gaps identified above included formally registering the municipality's concern regarding attendance of the sector departments at its forum meetings through the heads of departments. The concern was also raised with the Director-General of the Office of the Premier, given its coordination role. Though no formal response was obtained, the improvement in the attendance was noticed, although this is still at an unacceptable level.

Efforts were also made to address challenges relating to data. Due to lack of own capacity and experience to conduct such a detailed research, assistance was solicited from Statistics South Africa and the Department of Social Development. The process was initiated, but could not be concluded in time to inform this review. The data collection is expected to start by May/June providing an opportunity for the results to inform the next review. The process was also informed by the IDP annual review guidelines issued by the Department of Local Government and Traditional Affairs. These guidelines advised municipalities which elements to focus on in reviewing an IDP.

This IDP was informed by other strategic planning activities and initiatives that occurred during the course of this financial year. These activities included the strategic planning sessions of EXCO, Planning, Economic Development and Tourism

Portfolio Committee, Water Services Portfolio Committee. Sessions relating to HIV and AIDS and Rights of the Child also informed the strategic planning.

In addition, different forums established to coordinate and support each other, be it within the municipality or as a district family, were also critical in informing this IDP. These forums also improved intergovernmental alignment and organisation-wide ownership of the plan. These structures and lekgotlas are elaborated upon in Section 2.2 and 2.3 below.

## 2. CHAPTER 2 - MUNICIPAL STRATEGIC FOCUS

### 2.1. BACKGROUND

An IDP process does not happen in isolation, i.e. as a stand-alone process, but it happens and exists within and for a living organisation. Planning activities outside the formal ambit of the IDP process, as defined by the process plan, therefore takes place in parallel. In order to ensure relevance and robustness of the IDP, such processes must be taken into account and placed in perspective. The results of these activities are processed in the implementation planning in this document. A summary of the results of these activities is provided below.

### 2.2. EXCO LEKGOTLA

In the middle of the 2007/8 financial year an EXCO Lekgotla was held. The Lekgotla was held to assess the strategic focus of rolling out key infrastructure projects as per the budget, as well as to undertake a general assessment of all approved programmes. This was done to assist the municipality in conducting a mid-year review. The EXCO Lekgotla session helped the municipality to reconsider the institutional challenges and agree on appropriate interventions to accelerate service delivery. This session included discussion on the municipality's progress in the past six months and the need for new strategies to deliver on the budgetary objectives. Bold decisions were taken.

In order for Ugu District Municipality to monitor and track performance of all community linked projects, a need for a common approach to measure performance or progress, that will be to the benefit of the whole municipality, was identified. The Implementation Review Indaba is a platform that will assist the municipality to improve service delivery to meet targets set out in the SDBIP and PMS while ensuring that the municipality achieves its IDP objectives. It is a formal reporting or summative review session for the service providers. It updates management so that they get progressive understanding about the actual state of affairs on the municipal projects. The Implementation Review Indaba is a collective responsibility between Ugu District Municipality and the service providers, whilst it is co-ordinated by the municipality.

The Indaba is also aimed at outlining and discussing the gaps that might hinder project progress. It helps to strengthen the relationship of the District with the service providers, as well as enhance and promote contract management.

It is important to acknowledge that the Implementation Review Indaba does not substitute the day-to-day project management process. However, it augments the system at a macro level. The Implementation Review Indaba will give clear guidance on the approach and processes to be followed in monitoring and evaluating projects progress.

Focus areas identified by the Implementation Review Indaba includes:

Need to attend to Water Leakage Management system.

The relocation of the Melville Sewerage Treatment Works be reconsidered given the concerns raised by the environmentalists.

High level management meeting with DBSA be convened as a matter of urgency in respect of the approval of loans for water borne sanitation.

That a comprehensive report be submitted to Provincial Treasury alerting them of the issues relating to securing the DBSA loan.

Revise the Supply Chain Management Policy as a matter of urgency.

Develop inspection mechanisms in respect of fleet management.

Exploring the in-house development of skills with regard to artisans and electricians.

Explore collaboration possibilities with the private developers for selected sanitation projects.

Establish a co-ordination team to drive the implementation of the housing projects and shift funding in line with the Department of Housing Policy.

The planning process in respect of the Mhlabatshane Water Scheme should be in line with that of Sisonke District Municipality. The roles of Ugu, Sisonke DM and Umgeni Water must be clearly defined.

The causes of overtime be clearly and appropriately defined and strategy to improve its control be devised.

Prepare a Fixed Asset Management Policy.

Conduct a worksession to further unpack the issue of the Indigent Policy and Free Basic Water Standpipes.

### 2.3. STATE OF THE DISTRICT ADDRESS: 27 FEBRUARY 2008

Constitutional mandate: Planning and Coordination

District wide coordination, with the active and productive participation of local municipalities must result in credible plans in respect of:

- Integrated Development
- Housing Sector
- Local economic development
- Spatial framework
- Shared services

#### 2.3.1. INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY

Water

In responding to these challenges, we have adopted a basket of strategies that will ensure the implementation of the “business unusual” approach that our State President referred to in his address to the nation. These strategies include, amongst others:

- Doubling the investment in water services infrastructure through soft loan funding from DBSA and other development financiers
  - Targeting areas of highest impact in terms of people served
  - Planning in terms of water catchments as opposed to municipal boundaries
  - Forward planning and registration of MIG (municipal infrastructure grant) projects.
- In this regard our track record is excellent resulting in our MIG allocation of R118



million being the highest of all the District Councils in the country. For the new financial year the Division of Revenue Act, still in draft form allocates us R149 million. Our recognition has been earned through sheer hard work.

### Sanitation

With regards to the waterborne sanitation programme, we have made progress with regards to our "Hot Spots" approach. Areas to the north of our district in Scottsburg, Park Rynie and Pennington have already been connected to the system. Similarly, work is advancing to connect Shelly Beach, and parts of Uvongo to the system, as we await approval of DBSA loans, this after successful public participation engagement with stakeholders. The finalisation of the special lev that will help fund these investment programmes is at an advanced stage and we are mindful of the need to reduce its negative impact on the tariffs. These waterborne sewerage systems will have a very significant impact in further stimulating property market and reduce risk factors affecting our environment and threatening our blue flag beaches.

We have engaged the Department of Water and Forestry in a programme that will prioritize the provision of water and sanitation services to all schools and clinics in our district. We will begin with a priority of 200 schools and 65 clinics and this programme will incorporate the National Youth Service approach, where young people will be engaged to help provide a better life for our people, while gaining the necessary skills to empower themselves. This is what we call advancing the cause for service delivery and development.

### Electricity

Noting the current national energy challenges, we need to find solutions that will ensure a sustainable supply of energy to all our people in the district. To this end, we will hold a district Energy Summit in March this year, working with our partners in business, civil society and government, to map out a plan that is aimed at energy conservation, eradication of electricity backlogs, as well as continued energy supply to existing connections.

This Summit will also establish an Energy Forum that will ensure, amongst other things, the vigorous exploration of alternative, environmentally friendly energy generation. In this regard I am pleased to announce that authoritative investigation of the potential for a viable bio-fuel industry has begun and that credible private sector players are involved – both local and national. Furthermore, an MOU in respect of wind power is about to be concluded with an international private sector player.

## Roads

We have invested substantially in the upgrade of the H Central road network. Sustainable maintenance and cleanliness remain challenges.

We have also identified Umzinto and Ezinqoleni for similar attention.

### 2.3.2. LOCAL ECONOMIC DEVELOPMENT

#### Poverty alleviation

During this year, guided by our comprehensive Local Economic Strategy, which the Department of Economic Development described as “credible, realistic and one of the best practice documents”, we will continue to implement flagship projects that seek to alleviate poverty, empower our people with skills and improve their quality of life.

Flowing from this strategy, we will focus on the following sector programmes, amongst others:

- Provision of additional support to emerging contractors
- Strengthening the Cooperative Support Programme which, Mr Speaker is hailed as a long awaited intervention in this sector of our economy.
- Doubling the support given to local municipalities with regards to their economic development initiatives
- Intensify direct foreign investments as well as domestic investment initiatives and
- Bidding for Call Centres as an intervention to creating jobs- Linked to this, we are pleased to report that we will commence a R2 million broadband project that will see the deployment of fibre connectivity infrastructure from Harding, along the N2. This will radically transform the world of telecommunication as we know in this district. Further details on this project will be unveiled in due course.

#### 2010 and flagships

Our flagship projects such as the Ugu Sports and Leisure Centre as well as the Ugu Fresh Produce Market are well on course. With regards to the former, we have sought to redesign the scope of works to suit the topography of the site and we are confident that our immediate objective to utilise this facility for the 2010 Football World Cup will be realised. The long term objective, beyond 2010, is to see the facility being positioned as a high capacity training venue for local and international sports federations and here again, a lot of work has been done with sports federations, supported by the National Department of Sports and Recreation.

With regards to the Fresh Produce Market, we have completed our revised Business Plan. This plan will ensure that the objectives for which this market was created are met. With 84% of our district being rural, it is crucial that we create the relevant markets for our SMMEs and Cooperatives and begin to realize the Agrarian Revolution.

#### Land and Agrarian Revolution

There is general agreement that for our country to reach the target it has set for itself, an accelerated programme of land and agrarian reform is the key to creating

higher growth and more jobs especially in the rural areas. According to the Economic Cluster of our KZN Provincial Government, this requires a structured economy with a more equal distribution of land and capital, and a more diverse population of family and commercial farms and agri-businesses.

If we are to achieve the national redistribution target of 30% of white owned agricultural land by 2014, which equates to 24 million hectares, we need to ask ourselves what is the district target and work accordingly to meet it.

The provincial target is 1,2 million hectares and to date the Department of Land Affairs has managed to redistribute 301 054 hectares to 49 036 beneficiaries. In addition to this, the Regional Land Claims Commission has settled claims covering 530 000 ha in favour of 37 000 beneficiaries.

This Land Summit will help us to get answers to these and many other questions and we call on all stakeholders to work with us in advancing the cause for land redistribution and restitution.

Our Department of Infrastructure and Economic Development is completing its work on developing a strategy and policy to support beneficiaries of both programmes, as we need to ensure the establishment of black commercial farmers to give effect to the economic imperatives of the agrarian reform.

We must also record appreciation for the efforts of many in the established commercial agriculture sector, all white farmers, to the transformation of this sector. We recognize their frustrations arising from the slow processing of land claims. A formal meeting with representatives of this sector is scheduled for March of this year.

## Tourism

According to the South African Tourism Authority, Tourism brings in more than R66 billion to the South African economy annually. It has over 100 years of experience as the country's largest GDP contributor and creates permanent employment at the rate of 1 job for every 7 tourists.

Our tourism development and marketing transformation strategies are making good progress. During the last State of the District Address, we noted that we can no longer have segregated and slow mentality approaches when it comes to our tourism positioning. We are pleased to report that:

- The single tourism body, Ugu South Coast Tourism Board has been established
- The Board of Directors is operational and all seats are filled by the representatives of all stakeholders as agreed.
- The Chief Executive Officer of the Ugu South Coast Tourism Board has been appointed and has commenced with his duties the 1st of February 2008.
- We have allocated R3 million towards tourism marketing and R2,5 million towards tourism development.

We are confident in the leadership of this board, led by Ms Joy Cruchfield, the CEO Mr Michael Bertram and the well-focused board. They have already ensured the contracting with FIFA-MATCH of no less than 800 beds under the "OPERATION SIGN-UP", and the target is a minimum of 2000 beds by 2009. This Board is set to deliver innovative and cost effective strategies that will ensure a growing, quality

tourism economy that creates sustainable jobs and alleviates poverty throughout the district.

2.3.3.

#### 2.3.4. GOOD GOVERNANCE

Last year we called for partnerships for growth and development of our district. We were pleased by the response we got from a wide range of sectors in our society. This indicates our people's belief and hope in the collective leadership of our system of governance. However there is still much scope for extending and deepening these partnerships.

We want to see a much more qualitative partnership with our labour movement in relation to skills development and productivity. We are aware that they have recently engaged workers on a departmental basis. We are keen to share their findings.

We will also make a more concerted effort to engage big business in particular. The top 10 companies in our District have valuable insights to provide and inform our decision making.

#### Crime

The Premier of KZN correctly observed, during his address to the people of this beautiful province that we cannot allow lawlessness to rule our communities.

In his words, "We defeated apartheid and we will not allow ourselves to be defeated by crime and violence".

With specific reference to the South African Police Services: We want to reiterate our resolve to work with all our people in ensuring that the district is safe for our people, tourists and investors so that indeed we can create an enabling environment for growth and development.

We are very keen to strengthen the Community Police Forums in our District. It is our people on the ground that must be the voluntary eyes and ears of the Police.

Effective intelligence is more than 50% of the solution to this challenge.

## Corruption

Our efforts to create vibrant and effective district state machinery that is responsive to the needs of our people cannot be undermined by corrupt behaviour whether it be from leaders, officials or the private sector.

Municipalities have, through the Department of Local Government and Traditional Affairs, signed commitments to prevent and root out any form of corrupt behaviour within their systems. We call on the public to work together with us in ensuring that the moral high ground prevails in our institutions.

There have been allegations that certain individuals fraudulently trade on certain bona fide confidential decisions of Council structures.

For example a bona fide procurement decision is made by the relevant committee. A perpetrator, who somehow gains access to this information, will then approach a successful tenderer and persuade him or her that the decision can be influenced in his or her favour in return for a bribe. The successful tenderer is duped and pays. Both parties are equally corrupt.

We will not hesitate to blacklist any business engaging in such activity in addition to criminal prosecution. We do however, urge those who are approached in this manner to come forward and expose these elements. We promise confidentiality to those prepared to do so. You owe this to our people.

## Public Participation, Communication and Media

The recent launch of the District Communicators Forum is a step in the right direction. This Forum will ensure that community participation becomes the central pillar of our democratic process as we cannot have policies, systems and programmes that do not reflect the thinking, contribution and ownership of the masses of our people.

Towards the end of March, we will commence, in partnership with the family of local municipalities, a series of roadshows at which we will be tabling the draft IDP's and Budget Plans for the new financial year. We are never disappointed in these interactions. We learn something new each time.

We have been steadfast in ensuring that all our council committee meetings are open to the media. There was a time, many years ago when senior reporters would attend and provide reasonably objective coverage. Sadly this is no longer the case.

We have challenged the media on this and it seems to us that they are not prepared to devote adequate resources to that which is of essential public interest. It is not surprising therefore that many editorials seem decidedly uninformed.

This is a matter that requires our serious attention. Do we need our own regular publication that carries our news and advertisements? Is there an opportunity for a public-private partnership? We will, in the forthcoming months engage relevant stakeholders on this matter.

## Traditional Leadership

We continue to recognize and respect the role played by our traditional leaders within our district. Through the visionary leadership of Inkosi Sazi Ndwalane, the District House of Traditional Leadership remains a strategic stakeholder in the work to develop our people. As the President of the Republic correctly observed, during his address to the National House of Traditional Leaders recently:

"Government remains committed to the improvement of what has been achieved thus far, and further commits itself to protect and enhance the role which the institution of traditional leadership ought to play in responding to the national agenda."

#### Special programmes

HIV/AIDS continues to be a challenge requiring the total sum of our efforts. We must move away from seeing it as a health issue. We must see it for the developmental issue it is and begin to devise interventions along these lines.

We will continue to work directed by the national comprehensive strategy, in partnership with stakeholders in civil society, business and sector departments. Our District Aids Council is beginning to show impressive co-ordination. However we can only begin to celebrate when we have a visible and authoritative reduction in the actual infection rate.

Our Youth Development Programme is gaining momentum. Work is underway to develop a comprehensive youth development strategy that takes into account the fact that 56% of our population is economically inactive and most of these are young people. We are pleased to report that the National Youth Service is to be scaled up this year, as we roll out our sanitation programmes with regards to the 200 schools and 65 clinics.

A new institutional framework for youth structures is being implemented. Personnel and budgets are in place. We have created the space. Our youth must use it. Our programmes in respect of women, the disabled, children and farm workers will continue to find expression in our annual programme.

#### Sport

Each year sees the enthusiastic participation of our youth in all codes through their organized formations. This culminates in the annual Saka Games which last year was successfully held in our District. We are committed to strengthening this very important sector and will soon appoint a Sports Development Manager to effect better preparation and coordination.

### 2.3.5. INSTITUTIONAL TRANSFORMATION

The need for a continuous review of our delivery machinery is a matter that must occupy centre stage. We cannot advance on service delivery and development if we do not have in place a collective organ of staff that understands and shares our vision of creating a better municipality.

The transformation of our organization is therefore a continuous process. At a full Council meeting, we will table critical recommendations on the appointment of the new Municipal Manager as well as the Chief Financial Officer.

The profile of our 733 staff members indicates a concerning element with regards to the ratio of men to women, with the latter only making 24% of the total staff complement. While this may have historical reasons, we must take the appropriate steps to begin to correct this state of affairs and bring in more capable women to run our operations, from the lowest entry point right up to top management.

Our recruitment drive aimed at filling the critical 'front soldier' positions at the Water Services Department will continue, as we beef up capacity to roll out our huge infrastructural investment projects. While being faced by the shortage of skilled artisans, amongst other categories, we will continue with our skills development initiative so that we can begin to produce our very own engineers, artisans and tradespersons.

### 2.3.6. FINANCIAL VIABILITY AND MANAGEMENT

The state of our financial books has been a healthy one for a long time. Again, it pleases us that we have received an unqualified audit report for the previous financial year. Our stringent finance reform initiatives continue to be guiding lights in the business of managing public funds.

Across the sphere of our local municipalities, we note with appreciation the work that has been done with respect to the implementation of the new Municipal Property Rates Act. Noting the objective and the intention of the Act, it is important that all stakeholders work together to implement this Act, which will ensure uniformity, equity, transparency and simplicity in the rating process. The Act also aims to alleviate the plight of the poor and historically disadvantaged. To this cause, our local municipalities will engage the Institution of Traditional Leaders to ensure that they are abreast of these developments.

With regards to lowering the cost of doing business, we will continue to employ prudent fiscal management strategies. In the year ahead of us, we will improve our debt collection ratio to levels above 97%.

In doing this, we are cognizant, however, of the growing number of people who are indigent and it is for this reason that we will be approaching Council, to approve our revised Indigent Policy, which will see the benefit extended, from the current 6kl to 12kl for households with a combined income of not more than R2 000. This is one intervention in our basket of Indigents Benefits. Working with local municipalities, we are confident that this provision goes to the heart of addressing poverty that is also prevalent in urban areas.

## 2.4. UGU DISTRICT ENERGY SUMMIT

The whole of South Africa, KwaZulu-Natal and the Ugu District Municipality in particular currently faces a challenge of in-adequate energy supply. Consequently, Ugu in fulfilling its mandate as Local Government, convened the Energy Summit in response to the energy crisis. Various stakeholders representing the business sector, organised labour and other civil society structures were present. Representatives from the different spheres of government also attended. The main aim of the Energy Summit was to identify approaches of addressing the current energy challenges and to explore possible energy alternatives. From the discussions the following issues were noted:

- The Energy Summit is organised as partnership initiative between government, private sector and communities to discuss issues related to energy solutions.
- The energy crisis emanates from the previous deployment of energy infrastructure based on apartheid settlement patterns and development.
- There is a need to coordinate the energy infrastructure deployment in the District. Alternative sources of energy are also to be investigated.
- There is a communication breakdown regarding load shedding and Eskom does not subscribe to their schedules.
- Energy saving has been implemented by different stakeholders in the district.
- The energy crisis has affected the labour market stability and business profits in the region.
- Criminals have negatively taken advantage of load shed periods to commit crime.
- The energy crisis has a negative impact on water supply within Ugu District Municipality.
- There is a need to monitor and complement key energy saving interventions.
- There is a need to conduct public awareness campaigns. Stakeholders have indicated a willingness to support coordinated efforts to save electricity.
- The business sector already has certain good practice initiatives on energy saving promotion and techniques.
- Schools and the education sector in general have been affected by the energy crisis.
- The potential of wind resource/energy within the Ugu District and the commissioning of a feasibility study thereof were discussed.
- Eskom's current excess capacity is between 8-10% which is below the 15% international benchmark.
- Load shedding is set to continue for some time to come.
- A Recovery Plan and a National Response Plan is in place.
- Eskom will invest about R150 billion in new infrastructure and expansion.
- There is a change of policy environment regarding the use of renewable energy e.g. wind, biomass, solar etc.
- To respond to the issues raised above, some of the decisions taken were:
  - The formation of the Energy Forum;
  - The implementation of Public Awareness Campaigns; and
  - The promotion of energy saving technologies.

## 2.5. DISTRICT LEKGOTLA 2008

Ugu District and its family of municipalities held a District-wide Lekgotla on 6-7 May 2008 at the Edwardian Hotel in Port Edward. This Lekgotla created a platform for Ugu



municipalities to deliberate and find a way forward on district-wide and crosscutting issues. The focus was specifically on issues affecting municipal performance on the service delivery and development agenda. The District Lekgotla provided an opportunity to consider issues of strategic importance. The alignment of municipal planning was central to deliberations.

The Lekgotla was a gathering aimed at collectively establishing the strategies that will ensure municipalities contribute to improving the quality of life of communities. It also provided a platform for considering the planned programmes for every year against the national targets of water, sanitation and electricity. Millennium Development Goals (MDGs) include a target of halving poverty and unemployment by 2015 which obligates municipalities to come up with annual strategies and targets towards achieving such goals.

### 2.5.1. RESOLUTIONS

The tables that follow present the Five National KPA and the Key Priorities and Resolutions taken at the summit. It also allocates the responsible structures for each resolution and attaches specific timeframes to implementation.

#### **P** LOCAL ECONOMIC DEVELOPMENT

##### PRIORITY 1: LED ALIGNMENT STRATEGIES

RESOLUTION	RESPONSIBLE STRUCTURE / PERSONNEL	TIMEFRAMES
Secondment of staff from core sector departments (that are pillars to economic sectors identified).	All Municipalities	30 September 2008
Embrace and promote the co-ordination mandate of the District Municipality.	District IGR Structure	From now onwards
Expedite the process of establishing the LED Chairperson's Forum.	Chairperson of the Planning, Infrastructure and Economic Development Portfolio Committee	30 May 2008
Establishment of a District-wide Development Agency.	LED Chairperson's Forum	31 December 2008

##### PRIORITY 2: INVESTMENT

RESOLUTION	RESPONSIBLE STRUCTURE / PERSONNEL	TIMEFRAMES
Agree on the district-wide investment policy model.	District LED Forum and LED Chairpersons Forum	30 September 2008
Develop a common approach on land acquisition, access and land use.	District LED Forum and LED Chairpersons Forum	30 September 2008
Agree on district-wide model for	District LED Forum and	31 December 2008

RESOLUTION	RESPONSIBLE STRUCTURE PERSONNEL /	TIMEFRAMES
businesses.	LED Chairpersons Forum	
Strategy for balancing the type of investments.	District LED Forum and LED Chairpersons Forum	31 December 2008
Formulate proper records of sporting facilities.	HoDs' for Local Municipalities	
Develop land banking policy.	District LED Forum and LED Chairpersons Forum	31 December 2008
Develop a policy on investments incentives.	District LED Forum and LED Chairpersons Forum	30 December 2008
Exploring opportunities of utilizing the natural coastal line as a form of promoting tourism initiatives (Ugu District Municipality, Hibiscus Coast & Umdoni Municipality).	District LED Forum Ugu South Coast Tourism Body	31 December 2008
Explore approaches to take advantage of the interests shown by investors (Industrial Park).	District LED Forum	From now and Onwards
DBSA LED fund initiative is accepted and that all municipal councils should take a formal acceptance resolution.	District LED Forum HoDs' for LED	30 June 2008

## PRIORITY 3: KEY POLICY FORMULATION

RESOLUTION	RESPONSIBLE STRUCTURE PERSONNEL /	TIMEFRAMES
Develop a policy to unlock strategic land parcels for development.	District LED Forum	31 December 2008

## PRIORITY 4: 2010 PROJECTS

RESOLUTION	RESPONSIBLE STRUCTURE PERSONNEL /	TIMEFRAMES
Alignment of the District plan for 2010 World Cup with the local municipalities.	LED Forum and LED Chairpersons Forum	30 June 2008
2010 projects progress reports be submitted at various councils or relevant council structures on continuous basis.	Representatives from each council.	From now onwards
Ugu and HCM to make a joint presentation on the Sports and Leisure Centre and the Margate Regional	HCM and Ugu District Municipality	30 May 2008

Airport to the MEC for Finance and Economic Development.		
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**P BASIC SERVICE DELIVERY AND INFRASTRUCTURE****PRIORITY 1: ENERGY**

RESOLUTION	RESPONSIBLE STRUCTURE PERSONNEL	TIMEFRAMES
Exploring an approach to generating own energy.	Energy Task Team	30 September 2008
Balance the issue of alternative energy generation and food security. Advise Eskom of the institutions and facilities needing electricity to continue providing socio-economic support.	Energy Task Team Energy Task Team District LED Forum	31 March 2009 30 June 2008

**PRIORITY 2: HOUSING**

RESOLUTION	RESPONSIBLE STRUCTURE PERSONNEL	TIMEFRAMES
Engage the Department of Housing to obtain clarity on housing infrastructure issues (lengthy process regarding the provision of government subsidized houses).	HoDs of Infrastructure	30 June 2008
When packaging housing projects, consider the type of sanitation system to be utilized in that particular area.	HoDs of Infrastructure	30 September 2008

**PRIORITY 3: WATER**

RESOLUTION	RESPONSIBLE STRUCTURE PERSONNEL	TIMEFRAMES
Task team (consisting of all CFOs and GM: Water Services) to review and harmonize Indigent Policy support criteria.	Task Team MMs Forum	30 June 2008

**PRIORITY 4: SANITATION**

RESOLUTION	RESPONSIBLE STRUCTURE PERSONNEL	TIMEFRAMES
Establish measures that will control raw sewer spillages from private treatment plants.	Task Team (composed as follows GM: Water Services, Director; Health and Community Services (All LMs')	30 June 2008

## ü INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

## PRIORITY 1: HUMAN CAPACITY DEVELOPMENT

RESOLUTION	RESPONSIBLE STRUCTURE / PERSONNEL	TIMEFRAMES
Filing of the vacant positions,	HoDs' for Corporate Services	30 September 2008
Re-look at the available posts and how the skills development issue will be addressed at Ezinqoleni.	General Manager: Corporate Services (Ugu) and Director : Corporate Services (Ezinqoleni Municipality)	30 June 2008
Develop and implement a need-focused skilling strategy and thereafter consider re-deployment of the available skills to needy areas at Ezinqoleni.	General Manager: Corporate Services (Ugu) and Director : Corporate Services (Ezinqoleni Municipality)	31 December 2008
Facilitate a working relationship between Ezinqoleni and the University of KwaZulu-Natal (PMB) to address the skills development issue.	General Manager: Corporate Services (Ugu) and Director : Corporate Services (Ezinqoleni Municipality)	30 September 2008
Develop and implement a district – wide strategy on attraction and retention of the required financial management skills.	CFOs Forum	30 September 2008
Develop and implement a district-wide skills development strategy that addresses the district human resource needs.	HR Managers Forum	30 November 2008

## PRIORITY 2: RESTRUCTURING

RESOLUTION	RESPONSIBLE STRUCTURE / PERSONNEL	TIMEFRAMES
Have a discussion and recommendations on the demarcation and establishment of Ezinqoleni Municipality.	Ezinqoleni, Ugu, Umuziwabantu and Hibiscus Coast Municipalities.	31 December 2008
Re-demarcation process affecting Vulamehlo and Umzumbe be engaged.	Umzumbe and Vulamehlo Municipalities	December 2008

**P GOOD GOVERNANCE AND COMMUNITY PARTICIPATION****PRIORITY 1: ALIGNMENT AND CREDIBILITY OF IDPS'**

RESOLUTION	RESPONSIBLE STRUCTURE PERSONNEL /	TIMEFRAMES
Municipalities need to work together to achieve better results (above provincial average) of the IDPs credibility rating.	Planners Forum IDP Forums IDP Technical Committee	From now onwards (immediately)
Review the existing corporate strategy of Ezingoleni for a new direction and focus.	Ugu and Ezingoleni Councils	30 September 2008
All IDP Managers to attend the next MMs forum to share lessons on the IDPs credibility.	All IDP Managers	30 June 2008

**PRIORITY 2: ALIGNMENT AND LEGAL MANDATE**

RESOLUTION	RESPONSIBLE STRUCTURE PERSONNEL /	TIMEFRAMES
Look at the District IDP and the LED strategy and ensure that these are aligned at Ezingoleni.	District LED and IDP Forums	30 September 2008
Identify the specific type of development that need to be attended to at Ezingoleni.	Ezingoleni and District LED Forum	30 September 2008
Ensure that all costs for shared services are shared.	MMs Forum	30 September 2008
Develop a common understanding on the assigned Powers and Functions (roles and responsibilities).	District IGR Forum MMs Forum	31 August 2008
Consider the assignment of the fire fighting function and its implementation (roles and responsibilities) district-wide.	District IGR Forum MMs' Forum	31 August 2008

**PRIORITY 3: COMMUNITY PARTICIPATION ENHANCEMENT**

RESOLUTION	RESPONSIBLE STRUCTURE PERSONNEL /	TIMEFRAMES
Communities need to be involved so that they can know in advance and be in agreement so that they can support the structures that are being brought to them.	District Communicators Forum	30 June 2008
MMs Forum and Speakers Forum to look at the Ward Committee members stipend payment.	MMs Forum Speakers Forum	30 June 2008
Ensure involvement of people leaving with disabilities in the different	District Communicators	30 June 2008

municipal structures.	Forum	
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**PRIORITY 4: YOUTH AND WOMEN DEVELOPMENT**

RESOLUTION	RESPONSIBLE STRUCTURE PERSONNEL /	TIMEFRAMES
Fast track implementation of youth development in line National Youth development policy framework and the National Youth Service (NYS) across the municipal development programmes.	All Youth Managers and Managers for special programmes	30 June 2008
To ensure the implementation of women targeted quotas that are not below a 50:50 mark across all development initiatives.	Ugu District Women Council LED Forum IGR Forum	From now and on going

**PRIORITY 5: HIV & AIDS**

RESOLUTION	RESPONSIBLE STRUCTURE PERSONNEL /	TIMEFRAMES
That a comprehensive multi-faceted HIV & AIDS awareness programme and annual implementation plan be developed and approved before 01 July 2008.	Ugu District Aids Council (UDAC) IGR Forum	30 June 2008 and ongoing

**P FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT****PRIORITY 1: REVENUE**

RESOLUTION	RESPONSIBLE STRUCTURE PERSONNEL /	TIMEFRAMES
Develop a strategy to broaden revenue base to address the grant dependency (strategy to augment income and grants).	District LED and CFOs Forum	30 September 2008
Consider investment partnerships with other countries that have similar development focuses.	District LED	30 September 2008

**PRIORITY 2: ASSET MANAGEMENT**

RESOLUTION	RESPONSIBLE STRUCTURE PERSONNEL /	TIMEFRAMES
Explore best practices on asset management.	District CFOs Forum	30 September 2008
Review and align procurement policy approach that support SMMs and Co-operatives,	District LED and CFOs Forum	30 September 2008
Establish, maintain and share service	District LED and CFOs	30 September 2008

providers database	Forum	
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## 2.6. KEY ISSUES AND SHARED UNDERSTANDING

A number of stakeholder engagements have occurred in the district ranging from interactions that considered the institution and governance issues to economic growth and development. From these processes the following have been identified amongst others as priority issues:

- Poverty
- Lack of full value chain support to poverty eradication initiatives
- Unemployment
- Lack of trade skills opening opportunities to local economy
- Access to basic services and infrastructure (water, electricity, sanitation and roads)
- Access to government services and information
- Expansion and upgrade water and sanitation infrastructure in the urban areas
- Renewal of urban areas especially Umzinto and Harding
- Access to land
- Costs of housing
- The participation of the previously disadvantaged in the economy Support to SMMEs
- Access to higher education
- Institutional reorganisation of the municipal administration

## 2.7. STRATEGIC OBJECTIVES

Bringing into reality the objectives of the national and provincial government policies and programmes is central to the existence of local government. An IDP is a cross-cutting strategic plan that is prepared at a local government level, bringing together the work of all three spheres of government for implementation in a local area. By legislation the IDP is prepared for a five term of council office but also reflect on the bigger picture beyond this term. This necessitates careful thinking in amalgamating the different aspects, while taking into consideration the core business of municipality.

Accordingly, the key development thrust to inform the development agenda of this council, setting the tone for the future, is reflected below. This development agenda is in line with the provincial spatial economic development perspective which establishes the following development priorities:

- Increasing investment in the province
- Improving skills and capacity building
- Broadening participation in the economy
- Increasing competitiveness

TABLE 2: STRATEGIC OBJECTIVES

KPA : BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT
<ul style="list-style-type: none"> <li>• Upgrade and maintain existing infrastructure (communication infrastructure, roads, sewer etc);</li> <li>• Facilitate elimination of the schools back log in the next 5 yrs;</li> <li>• Reconsider the IT infrastructure implementation;</li> <li>• Improve the way town planning is currently managed;</li> <li>• Establishment of key services in rural areas in order to attract other services from</li> </ul>

- different sector departments;
- Ensure ISO certification of the municipal services;
- Co-ordination and alignment on the plans of the municipality and other spheres of government in order to improve service delivery at all government;
- Ensure water conservation (revise the by-laws); and
- Application of EPWP approach in service delivery.

#### KPA: LOCAL ECONOMIC DEVELOPMENT

- Re-visit the question of land claims and re-distribution;
- Ensure that the district play a pro-active role in land issues;
- Develop agricultural training in rural areas in order to introduce commercial farming;
- Focus on developing or improving the economic hubs in the rural areas;
- Utilise waste management in rural areas for employment opportunities;
- Streamline LED across the whole district (by emphasizing the LED component when awarding tenders and incorporating the LED aspect in water and sanitation projects);
- Create jobs in order to eradicate crime;
- Ensure attraction of the right tourism for Ugu Municipality or South Coast;
- Encourage integration of cultural tourism;
- Identify niche markets;
- Encourage family based projects in agriculture in the rural areas;
- Encourage tourism projects in rural areas;
- Develop a clear strategy for providing support for co-operatives;
- Conduct the tourism needs survey prior to developing tourism products in the rural hinterland;
- Promote ownership of tourism products by communities; and
- Establish a database encompassing all the development dynamics of the district's population.

#### KPA: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

- Reduce poverty and HIV and AIDS;
- Restructure the Ugu Municipality according to function after job audits have been completed; Enhance staff development or career path development within the organization (by revising the policy);
- Ensure change management within Ugu municipality for all the employees to have the same understanding on issues;
- Expand the existing bursary schemes to include agriculture;
- Conduct a skills audit partnership with tertiary institutions and advise on way forward;
- Improve the level of municipal institutional support from the district to local municipalities by introducing a diverse team of specialists (as compared to having PIMS centre that only focus on development planning matters);
- Deal with the cross-cutting issues by introducing programmes for youth and women;
- Develop a policy that deals with staff capacity and development;
- Improve motivation, capacitation, career path development and staff retention. (budget and set targets);
- Make career path development one of the KPAs for the managers in order that they be held accountable;
- Ensure buy-in of the risk management strategy implementation as a shared service;
- Ensure availability and implementation of the ERP as an service within Ugu;



<ul style="list-style-type: none"> <li>• Address HIV and AIDS as a way of dealing with loss of skills (for skills retention and transfer);</li> <li>• Partner with FETs to skill communities on HIV and AIDS issues;</li> <li>• Improve occupational health and safety issues within the workplace by introducing pro-active mechanisms;</li> <li>• Develop an Ugu disaster management plan and operational plan;</li> <li>• Set up of disaster management team outside the district;</li> <li>• Alignment of procurement with internal departments especially on the tendering process;</li> <li>• Revisit the supply chain management delivery expectations; and</li> <li>• Ensure staff welfare by initiating a crèche that is subsidised by the municipality.</li> </ul>
<b>KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>
<ul style="list-style-type: none"> <li>• Building robust civil society for further strengthening of local government through this pillar; and</li> <li>• Partnership between government and business at local level for growth and development</li> </ul>
<b>KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>
<ul style="list-style-type: none"> <li>• Review the approach to budget allocation within departments (by allocating percentages according to departmental duties or responsibilities);</li> <li>• Develop and implement a new revenue strategy for the municipality;</li> <li>• Develop programmes that will enhance life of the municipal assets;</li> <li>• Prevent revenue loss by preventing corruption;</li> <li>• Budget in a way that will ensure that the Ugu municipality will be grant independent in future;</li> <li>• Ensure that the services delivered are financially viable;</li> <li>• Establishment of a rehabilitation fund;</li> <li>• Provide funds for simulation exercises for disaster preparatory events in conjunction with relevant stakeholders and provincial services; and</li> <li>• Ensure standardisation of the water and sanitation tariffs system.</li> </ul>

## 2.8. KEY DEVELOPMENT STRATEGIES

Through the NSDP process and other stakeholder engagements common ground for addressing social and economic conditions was established. The results of these processes informed the status quo analysis and the proposed interventions. Given the socio-economic status, challenges and priority issues of the district as outlined above, key focus areas were identified. According to the results of this process key focus areas are:

- Accessing funds for infrastructure development, e.g. the expansion and refurbishment of full waterborne sewerage infrastructure.
- Accessing funds to meet the 2009 water target. A financial model has been developed in this regard and backed by the DBSA and a private sector financial institutions. A legal review of this is required and National Treasury has been engaged on this. Providing access to adequate and quality land, with secure tenure, in an organised and efficient manner through fast-tracking the land reform programme. To this end, post transfer support for land reform beneficiaries must be greatly improved.
- Streamlining decision-making procedures which frustrate the work of local government, e.g. unlegislated requirements by the province to 'approve' MIG

projects, decentralisation of some key functions to local government level or secondment of key members of staff from these departments, EIA processes, etc.

- Building the research capacity of the District Municipality to understand the economy. Added to this, building the capacity of the District Municipality to fulfil its required role. The process of establishing a Tourism Board and Development Agency and the institutional set-up of the municipality is very lengthy. This impacts on the ability in the District to get work done. The Tourism Board has been established, but improvement is needed in terms of turnaround time and responsiveness. Recognising that the Tourism Board is shared responsibility, powers and functions need to be clarified.

Over and above the focus areas strategic interventions have emerged through a series of engagements in the recent past. These inform the development agenda of the District over the next five years and are listed below.

KPA: Local Economic Development
<ul style="list-style-type: none"> <li>• Developing new tourism products</li> <li>• Concerted effort to develop tourism products in the in-land areas and their promotion to ensure diversification of the industry</li> <li>• A strategic focus on specific tourism sub-sectors and the development of infrastructure to take care of the sub-sectors identified</li> <li>• Retention and expansion of existing businesses</li> <li>• Focus on the supply side for the Ugu Agricultural Market ensuring that emerging and aspiring farmers from the previously disadvantaged groups are the main target</li> <li>• A targeted mentoring and coaching programme for newcomers into tourism and agricultural industries addressing the whole value chain for the benefit of the previously disadvantaged</li> <li>• Taking advantage of backward linkages relating to the tourism and agricultural sectors</li> <li>• While enhancing work on primary agriculture, sight must not be lost of the agricultural processing side as well</li> <li>• Identify niche agricultural products and other product identified in strategic economic documents at provincial level deemed having more potential in our district</li> <li>• Improve the role and presence of the manufacturing sector in the district</li> <li>• Becoming better organised and focused in pushing broad based black economic empowerment</li> <li>• A programme for benefiting from the FIFA Football World Cup in 2010</li> <li>• Fast-track land reform</li> <li>• Industrial development parks</li> <li>• A better organised SMME support programme</li> <li>• Pay special attention to women and youth development</li> <li>• Partnership with Esayidi FET on skills development and cooperatives support</li> <li>• Partner with the local Department of Education to ensure a good schooling and teaching environment and better pass rates, especially on mathematics, science and technology</li> <li>• Build strategic local and international partnerships</li> <li>• Assistance to build livelihood assets in communities and interventions to mitigate against negative impacts on these assets.</li> </ul>
KPA: Basic Service Delivery and Infrastructure

KPA: Institutional Transformation and Organisational Development
KPA: Municipal Financial Viability and Management
<ul style="list-style-type: none"><li>• A clear inward investment programme.</li></ul>
KPA: Good Governance and Community Participation
<ul style="list-style-type: none"><li>• Ensuring promotion and marketing focus on the district as a whole and has a clear and focused message.</li><li>• Strengthen IGR and leadership.</li></ul>

### 3. CHAPTER 3 - LOCAL ECONOMIC DEVELOPMENT

#### 3.1. SITUATIONAL ANALYSIS

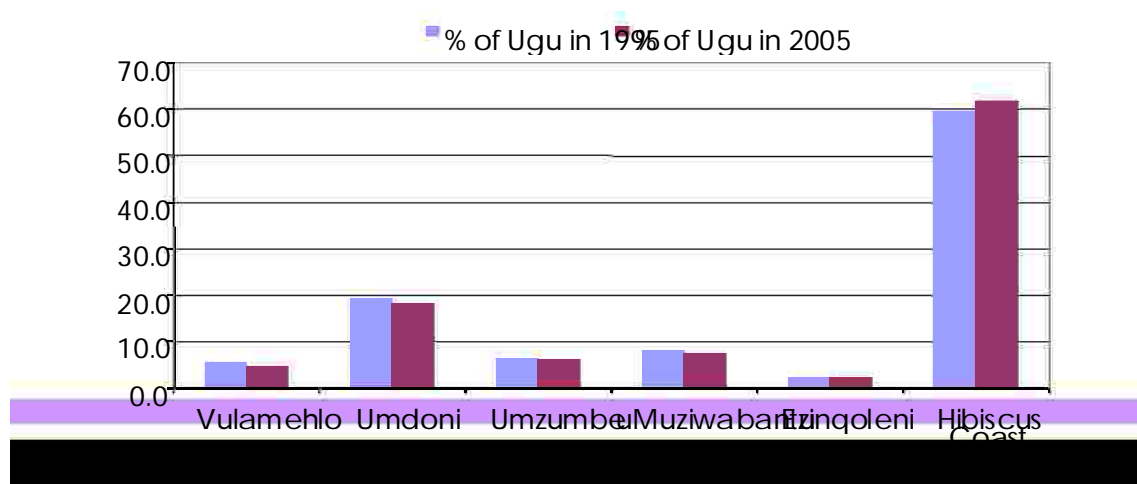
##### 3.1.1. ECONOMIC PERFORMANCE

The District is like most others in the country facing challenges in improving quality of life amidst high levels of poverty and unemployment and low levels of economic growth. In terms of the spatial profile the district displays a dual space economy with a largely urbanised coastal zone that is performing reasonably well and a largely impoverished rural interior with huge commercial farms (sugar and bananas) and large numbers of subsistence farmers. The development on the coastal zone is in line with the provincial Growth and Development Strategy (PGDS) proposals for corridor development in the province. While the population of the District is predominantly rural, with 86% of the population located in rural areas, densities are highest in the coastal zone (Hibiscus Coast and Umdoni).

The District has economic development potential in the areas of tourism, agriculture and manufacturing (beneficiation). In addition to this there is also potential in the retail, trade and services sectors. This, however, requires further data-gathering and rigorous multi-faceted analysis. Lack of detailed and up to date economic data frustrates the development of a more effective response to the economic challenges of the District. Economic strategies are therefore based on high level data.

In 2005 Ugu contributed only 3.3% to the KwaZulu-Natal economy and 0.5% to the South African economy. The economic hub of the district is the municipal area of the Hibiscus Coast accounting for more than 60% of all economic activity in Ugu in 2005. This is followed by Umdoni with an 18% contribution. The rest of the municipalities contributes less than 10% each, with Ezingqoleni being the lowest contributor at a mere 2%.

FIGURE 1: LOCATION OF ECONOMIC ACTIVITY IN UGU IN 1995 AND 2005



Source: LED Strategy (2007)

Further analysis of the district economy, considering it per sector per municipality, provides a much clearer picture. Tourism related trade, catering and

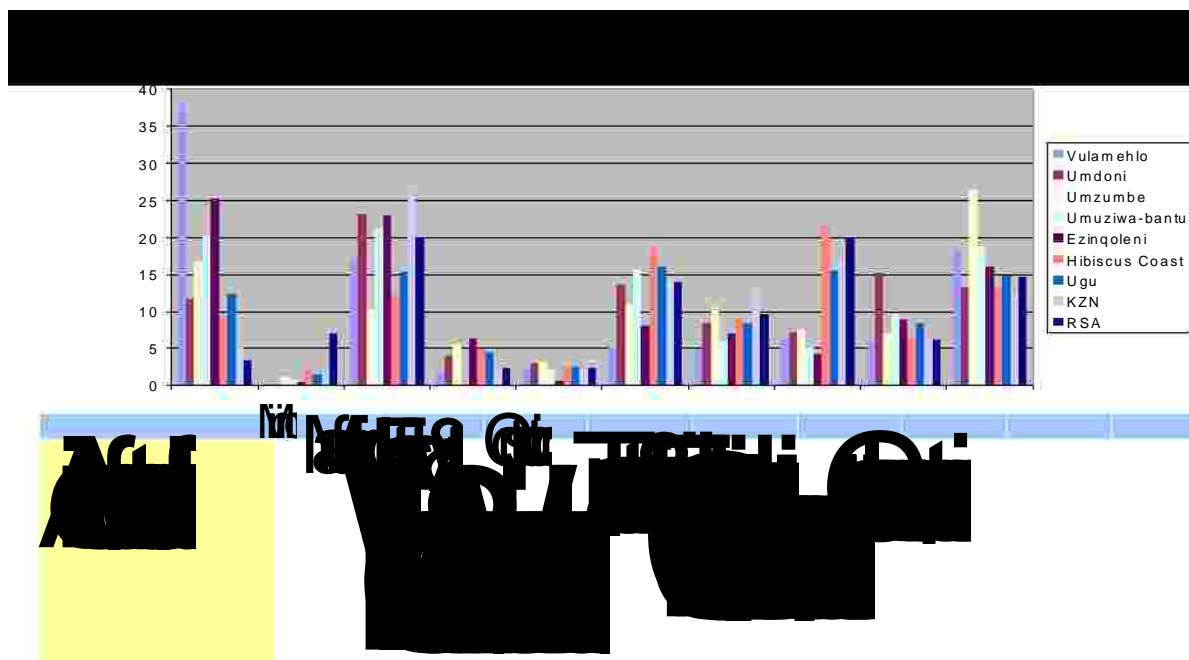
accommodation services were the biggest contributor to the Ugu district economy in 2005 (16.1%), while manufacturing contributed 15.4% and finance and business services contributed 15.6%. Agriculture is the biggest sector in Vulamehlo and Ezingqoleni, while general government services contributed most to the Umzumbe economy in 2005.

TABLE 3: SECTORAL COMPOSITION OF UGU ECONOMY IN 2004 (PERCENTAGE CONTRIBUTION)

	Vulamehlo	Umdon	Umzumbe	Umuziwe-bantu	Ezingqoleni	Hibiscus Coast	Ugu	KZN	RSA
Agriculture, forestry and fishing	37.9	11.7	16.8	20.3	25.2	8.9	12.5	5.2	3.4
Mining	0.1	0.0	1.2	0.8	0.5	2.3	1.6	1.7	7.1
Manufacturing	17.2	23.2	10.3	21.2	23.0	12.3	15.4	25.9	20.0
Electricity & water	1.7	4.1	5.6	0.2	6.3	5.0	4.4	2.4	2.3
Construction	2.4	3.1	3.3	2.1	0.7	2.6	2.6	2.1	2.4
Wholesale & retail trade; catering and accommodation	5.2	13.6	11.1	15.8	8.1	18.7	16.1	14.3	14.0
Transport & communication	5.0	8.5	10.7	6.0	7.0	8.9	8.5	12.9	9.7
Finance and business services	6.2	7.3	7.5	5.2	4.3	21.5	15.6	17.0	20.1
Community, social and other personal services	6.1	15.2	7.1	9.6	8.9	6.5	8.4	6.3	6.2
General government services	18.2	13.3	26.4	18.9	16.0	13.3	14.8	12.4	14.7

Source: LED Strategy (2007)

FIGURE 2: SECTORAL COMPOSITION OF UGU ECONOMY IN 2004

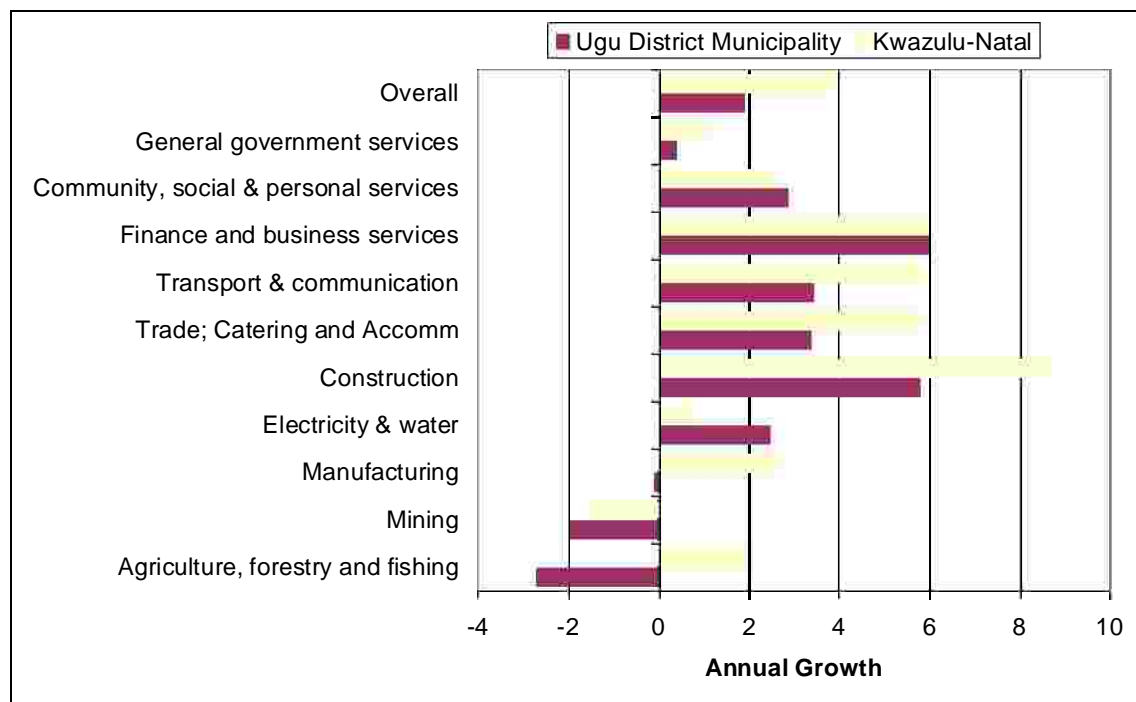


The average annual economic growth rate for Ugu between 2000 and 2005 was about 2%, about half the provincial average of 4%. The fastest growing sectors in Ugu were finance and business services, as well as construction.

The agricultural sector, which contributed 12.5% to the Ugu economy in 2005, experienced a negative growth of about 2% per annum between 2000 and 2005. It should be noted that agriculture is highly volatile due to price fluctuations, its seasonal nature, harsh working conditions, very low pay levels (for general labour) and sensitivity to natural disasters. The agriculture sector therefore, generally regarded as a key sector of the district economy, is not performing to its potential. The Ugu Agriculture Market that is now operational should help improve the situation. The market should trigger more agricultural activities on both the primary production side and agro-processing; as well as decreasing the extent to which agricultural produce from Ugu is processed and packaged outside the district.

The growth in the electricity and water (utilities) sector in Ugu was significantly higher in Ugu than in KwaZulu-Natal with the latter being a positive reflection on the district's service delivery performance.

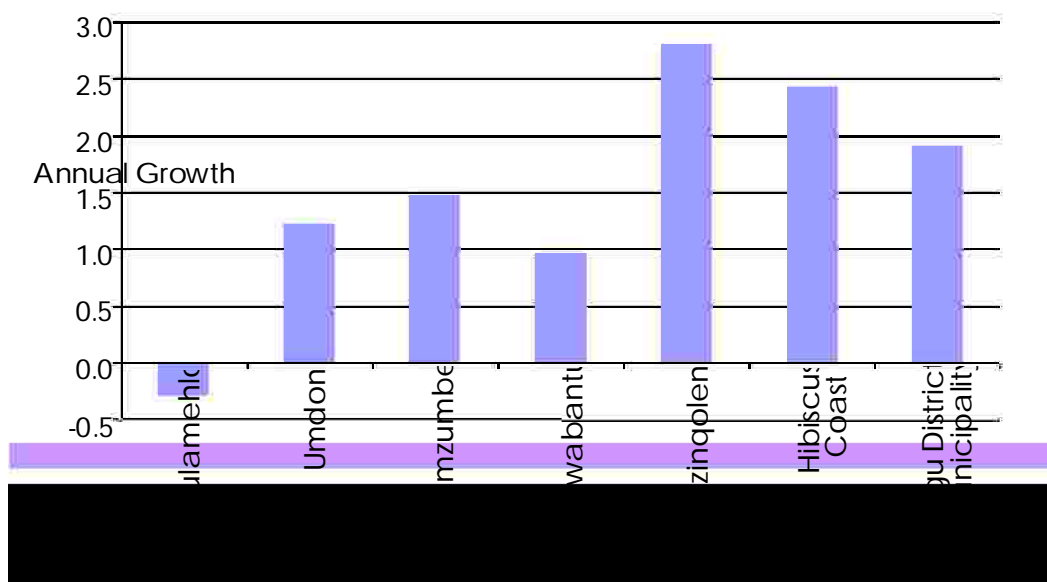
FIGURE 3: ANNUAL GROWTH RATE OF SECTORS IN UGU AND KWAZULU-NATAL BETWEEN 2000 AND 2005



Source: LED Strategy (2007)

Figure 4 below indicates that the fastest growing local economy between 2000 and 2005 was Ezingolweni at nearly 3% per annum. This is, however, off a small base and will have a limited impact on the District economy. This is followed by Hibiscus Coast with a 2.4% growth rate, while on the other hand Vulamehlo experienced a slightly negative growth rate of 0.3% per annum.

FIGURE 4: AVERAGE ANNUAL ECONOMIC GROWTH IN MUNICIPALITIES IN UGU BETWEEN 2000 AND 2005



Source: LED Strategy (2007)

The purpose of this socio-economic analysis is to give a synopsis of the municipal area in terms of its physical, demographic, social and economic characteristics. This information is aimed at contributing to informed planning and decision making. The analysis shows an area that has an urban development bias; and a population with limited skills and low education levels, a characteristic that generally makes an area unattractive to investment.

The absence of tertiary education facilities, other than the Further Education and Training (FET) institution, is a drawback and in addition, one of the key reasons for a population with such limited skills. The fact that 42% of land is under the Ingonyama Trust is also a contributing factor to poor investment in the area. Three quarters of the population had no income in 2001 and 20% earned the equivalent of two old age social grants (R1600). Such figures show the extent to which the District population is engulfed by poverty. Interventions by the state from local through to national levels over the past five years may have impacted positively on the communities, e.g. mobilisation for grants registration, provincial Department of Transport's Zibambele Programme targeting rural women, etc.

In line with the NSDP principles, rural development should be promoted through corridor development, including prioritising the corridor areas for basic infrastructure and services. Some or other form of rural "nodification / nodal formation" (hierarchy of nodes) will have to take place to improve rural access and development. This is challenging from a service provision and maintenance point of view, in terms of both topography and density of settlement. Through development of these nodes, and making them accessible, it will be possible to enable a decent quality of life for rural dwellers through providing high quality, high impact services. These nodes should provide the capital investment and suitable "business climate" for facilitating private sector investment. These nodes are identified in the district's Spatial Development Framework (SDF). These nodes would provide a form of incentive for denser rural settlement in areas where service provision could be done in a sustainable manner. They would also provide sports, recreation, arts and culture facilities for youth, which would assist in transforming social conditions in the district. At the same time, existing nodes in the more urbanised area will have to be targeted for economic intensification to provide a quality of life for the growing urban areas.

Poverty is high throughout the district. The highest concentration of people is in the coastal strip, while the largest numbers of people living in poverty are located in the rural interior. Poverty is causing, driving and sustaining a number of social challenges. HIV and AIDS impacts on poverty levels and vice versa. The impact of HIV and AIDS on youth, grants, education, social cohesion, etc. need to be channelled into developmental thinking and service provision. In certain cases this calls for a mind-shift in terms of what, where and the way in which services are provided and maintained. NGOs are very active in this field, and their work should be recognised and supported.

A steady influx of people from the Eastern Cape, as well as from the rural parts of the district to the coastal strip will in all likelihood further intensify the extent and concentration of poverty in the more urbanised areas. This pattern is not foreseen to radically change in the immediate future. Should the rural nodal development approach be successful, this could be curbed to a significant degree. However, it should be noted that in the past, attempts to limit urbanisation through rural development failed to yield convincing results.



One could also have migration from urban to rural nodal areas should transport and service provision be of the standard that people require. There is a strong view that tourism can be expanded into the interior and that agriculture and its associated beneficiation does have vast potential. This is largely a function of the extent to which land reform can be dealt with in a speedy fashion.

The analysis now turns to the elements that consider how people have been affected by such an economic performance, i.e. poverty levels. The poverty analysis part discusses the household income, employment, skills, access to land, and migration patterns.

### 3.1.2. HOUSEHOLD INCOME

Household income is one of the most important indicators used to determine the level of poverty in an area. Poverty is often defined as the lack of resources to meet the basic needs. The ability to meet basic needs is largely determined by the level of income earned by the households. An important indicator of poverty in an area will therefore be the number of households with an income below the Minimum Living Level (MLL). The MLL is calculated for different racial groups, household sizes, and so forth, and reflects the minimum amount a household needs to earn to meet its basic needs.

The poverty gap, on the other hand, is a measure of the level of impoverishment of people. Unlike a head-count ratio, which enumerates the number of people below the poverty line, a poverty gap measures the extent to which an individual is below the poverty line. It therefore measures how much money is needed to bring each poor person's income up to the poverty line. According to the PSEDs it is estimated that 5.3 million people in the province were living in poverty and 1.2 million living on less than US\$ 1 (roughly R8 in 2008) a day and the estimated poverty gap is Rbn18.3 i.e. the amount needed to bring every poor person to the poverty line.

In terms of the South African standards, a household earning less than two old age pension grants is regarded as poor to the extent it is relieved of paying for municipal services. The table below is sourced from the draft Water Services Development Plan backlog study (February 2008) used to calculate affordability, household income and people living in poverty. From the table, it is evident that 75% of the HHs in the District earn less than R1 600 per month and live in poverty.

TABLE 4: PERCENTAGE OF PEOPLE IN POVERTY

L Co de	L M	Settlem Categor	No Popo	No Househol ds	HH Income R0- Monthly	HH Income R1 600-32 Monthly	HH Income R3 200+ Monthly
KZ21 1	Vulame hle	Rur	124	15	1600	10	2
KZ21 2	uMdoni Municip ality	Gth	1246	212	1634	36	22
KZ21 3	Umzum be	Urb	901	144	684	373	159
KZ21 4	uMuziwab antu	Rur	105	660	506	18	546
KZ21 5	Ezingol eni	Gth	627	913	312	145	61
KZ21 6	Hibiscus Coast	er	621	149	109	1	15
Total			2344	837	257	893	897
Ugu			280	040	3172	887	825
			897	129	155	22	12
			071	689	3424	347	918
			9274	2134	168	24	22
			672	002	985	195	192
			591	129	532	209	428
			1355	244	262	849	143
			477	079	056	627	358
			2894	4342	354	51	67
			945	1075	1082	1255	1098
			407	947	344	784	819

Source: Draft WSDP backlog study, February 2008

## 3.1.3. UNEMPLOYMENT

According to a report by the National Economic Development and Labour Council (NEDLAC) in 2006, employment remains the strongest defence against poverty. When analysing labour and employment in a district it is necessary to focus the attention on the following issues: labour force; labour market; supply and demand; quality of the labour force; and the peripheral sector. Unemployment is estimated at approximately 23%, and rural areas have significant levels of poverty. The unemployment rate in KwaZulu-Natal has increased over the past years. Between 2004/5 and 2005/6 a decline from 31.7 to 29.9 % was evident. The following table below indicates the unemployment rate in KwaZulu-Natal as of March 2001 till March 2006.

TABLE 5: UNEMPLOYMENT RATE IN KWAZULU-NATAL AS OF MARCH 2001 TILL MARCH 2006

	March 01	March 02	March 03	March 04	March 05	March 06
KZN	26.2	35.9	36.3	33.0	31.7	29.9
RSA	26.4	29.7	31.2	27.9	26.5	25.6

Source: Labour Survey March 2006, Stats SA

Table 6 indicates that according to Global Insight (2005) the current unemployment rate at Ugu is 44.8%. The economically active population is 29.3% (people able and willing to work between the ages of 15 and 65). Of the 87 807 people who are employed 67% are formally employed whilst 33% are participating in informal employment.

TABLE 6: LABOUR AND EMPLOYMENT OF THE WORKFORCE IN THE UGU DISTRICT

	No. of people	% of people
Employed	87 809	22.2 <sup>1</sup>
Unemployed	88 975	44.8
Economically Active population <sup>2</sup>	198 272	29.3

Global Insight Stats 2005

Unemployment and, in a sense transfrontier commuting, provides an indication of the difference between supply and demand and implies that equilibrium in the labour market necessitates both expansion of economic activity and the curbing of population growth. Another issue to be addressed is the involvement in the peripheral sector, as not all potential workers are active in the labour market.

TABLE 7: LOCATION OF FORMAL EMPLOYMENT OPPORTUNITIES IN UGU IN 2004

	Vulamehlo	Umdon	Umzumbe	Umuziwe-bantu	Ezingqolen	Hibiscus Coast	Ugu
Number of Formal Employment Opportunities in Ugu (2004)	4,624	10,948	6,505	6,176	2,967	36,705	67,926
Percentage per Sector:							
Agriculture, forestry and fishing	34.7	16.8	18.1	20.8	34.2	14.6	18.1

<sup>1</sup> Calculated a population of 395 340 (15 – 64)

<sup>2</sup>

The economically active population (EAP) is defined as the number of persons that are able and willing to work between the ages of 15 and 65.

	Vulamehle	Umdon	Umkumbe	Umkuziwe-bantu	Ezingoleni	Hibiscus Coast	Ugu
Mining	0.0	0.1	0.4	0.4	0.5	1.0	0.6
Manufacturing	10.6	15.5	7.0	14.4	12.3	11.8	12.1
Electricity & water	0.3	0.4	1.1	0.1	0.4	0.7	0.6
Construction	4.0	2.8	4.5	4.8	1.4	5.5	4.6
Wholesale & retail trade; catering and accommodation	7.0	18.4	14.4	14.2	12.4	17.1	15.9
Transport & communication	2.1	2.2	2.2	1.5	2.5	1.4	1.7
Finance and business services	5.0	8.6	7.2	5.1	4.7	11.5	9.3
Community, social and other personal services	17.6	20.1	20.8	19.2	19.1	21.1	20.4
General government services	18.6	15.2	24.4	19.5	12.5	15.4	16.7

Source: LED Strategy (2007)

The quality of labour will be affected among other things by:

- the educational profile of the economically active population;
- the availability of training facilities; and
- the health status of people in the district.

### 3.1.4. LAND

Land redistribution in the district has been relatively slow due to the high number of Restitution Claims. The joint planning and co-ordination of land reform between the Department of Land Affairs and the Regional Land Claims Commission is crucial for land reform delivery in the district.

During the last financial year (2006/07) the Department of Land Affairs (DLA) introduced a new strategic framework trying to address the slow pace of land reform. The emphasis of the strategic framework is on the 30% target of redistributing white owned agricultural land in order to create economic opportunities. Therefore the Pro-Active Land Acquisition Strategy was developed to fast track land redistribution and achieve the 30% redistribution target by 2014. The following are the strategic objectives that the Department of Land Affairs has committed itself to:

- Redistribute 30% of white owned agricultural land by 2014 for sustainable agricultural development;
- Provide tenure security that creates socio-economic opportunities on farms and in communal areas;
- Provide land for sustainable human settlement, industrial and economic development; and
- Provision of efficient state land management that supports development.

Ugu District Municipality would have to align its objectives with these objectives so as to expedite land reform delivery within the region. The Department of Land Affairs also embarked on the compilation of Area Based Plans to fast track the pace of land delivery and to ensure that projects are implemented within this framework. Emphasis is placed on integrated planning with other sector departments.

It must be noted that the District Municipality has been involved in land acquisition for economic growth. This land acquisition has been done in response to the needs both domestic and international investors. This approach is complementary to DLA Pro-Active Land Acquisition Strategy which is currently not implemented. There is an initiative underway to develop the Land Acquisition Strategy and Land Reform and Restitution Beneficiaries Support Strategy of the Ugu District Municipality.

The District tried to intervene by encouraging (preferably) the DLA-led Land Screening Committee, to monitor the fast tracking of this programme. Unfortunately, this committee proved ineffective and failed to yield the desired results. It is now dysfunctional as the department's approach and focus has moved to the preparation of the Area-Based Plans as a tool to fast-track all land reform related issues, including land claims.

Table 8 presents the records on the land claims process in the District provided by the provincial Land Claims Commission.

TABLE 8: LAND CLAIMS RECORDS

LM Name	N° of lodged claims	N° of Settlement claims	N° of Dismissed claims	N° of Gazetted claims	N° of Consolidated claims	N° of research claims	N° of files at non contactable claimant
Hibiscus Coast, & Umzumbe Ezingoleni	102	05	20	22	28	01	31
uMuziwabantu & Ezingoleni	45	03	13	05	06	03	15
Vulamehlo & Umzumbe	81	01	21	18	0	15	02
Total Claims at Ugu	228	09	54	45	34	19	48

Table 9 reflects the extent of landownership in different categories, distinguishing between state land, traditional land and private land.

TABLE 9: LAND OWNERSHIP

Category	Size in hectares	Size in km <sup>2</sup>	%
State land	59 022.83	590	12
Traditional land	214 580.55	2146	42
Private land	230 829.68	2308	46
TOTAL	504 433 <sup>3</sup>	5044	100

Source: Department of Land Affairs and Ugu GIS

It should be noted that in the above tables it was assumed that all the left over parcels of land not belonging to either the State or the Ingonyama Trust are privately owned.

FIGURE 5: LAND OWNERSHIP

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<sup>3</sup> This does not correlate with the StatsSA figure of 5 666 square kilometers and will be further investigated.

### 3.1.5. MIGRATION

Generally access to economic opportunities and basic services and infrastructure are key factors influencing people's inward and outward migration. In essence, people migrate in search of a better livelihood. While the District is experiencing some level of outward migration to more developed urban centres in the province (Durban, Richards Bay and Pietermaritzburg) and beyond the province, it also experiences inward migration, mainly of people from the Eastern Cape. The District Municipality benefits from this in terms of local expenditure.

At this point migration is not yet causing a problem in terms of access to housing and infrastructure, however, this situation may change. The migration from rural areas to urban centres (urbanisation) is the more critical development challenge to manage. The estimated urbanisation rate at provincial level was 47.5% in 2004 and this is expected to be 65% by 2014. These figures are expected to apply to the Ugu District as well (no estimates on a District level is available).

Urban centres are perceived to be areas providing better economic opportunities and access to services. This is, however, not the reality and urban centres, as is the case in Ugu, do not always cope with this pressure. Urban economies in Ugu are struggling to grow at a pace that meaningfully accommodates the already urbanised population and the municipalities struggle to adequately serve these areas in terms of basic services and infrastructure. The influx of the rural poor exerts even more pressure leading to despondent citizens as their expectations are not met which in turn spirals to other social ills. What complicates matters more is the lack of skills from these new urbanites which then makes them fail to access opportunities even when they arise. This pattern of urbanisation serves to emphasise the argument made in the NSDP that:

- There is an urbanisation trend and by implication therefore in-situ development should be done with caution.
- The focus for economic investment should be on economic centres (which happen to be urban) so as to improve the extent they cope with this pressure.
- In areas with no to limited economic potential (generally, rural areas) the District should invest in human capital to enable better chances of success once the person migrates to the urban formal economy and also to better cope, in terms of livelihoods, while in an area with limited economic potential.

- A corridor development approach should be adopted to open up rural development in a manner that appreciates dependency of communities on others and a need to ensure a strong link with urban centres.

### 3.1.6. ECONOMIC SECTORS

While an all encompassing analysis is useful and necessary, an in depth analysis i.e. looking at some of the key economic sectors in the District is also important. A general analysis does not provide the possible in sectoral analysis. In this subsection key economic sectors in the context of this region are analysed.

#### 3.1.6.1. Agriculture

While the economic contribution of the agricultural sector in Ugu has been decreasing over the past few years, the sector still possesses significant development potential. Agriculture in Ugu is characterised by highly developed and competitive commercial farming, and mainly subsistence farming on rural communal land. The major commercial farming enterprises are in sugar cane, bananas and macadamias, and to a lesser extent timber, coffee, cut flowers, livestock, poultry, game farming, mangoes, and other fruit and vegetables. Subsistence agriculture comprises mostly of livestock raising, dryland cropping and homestead gardening. There are a large number of agriculture related projects implemented or planned by various government departments and other organizations. These are aimed at economically empowering rural communities and changing the fortune of this sector in general. The Ugu LED Strategy (2007) discusses these as well as the products listed above in detail.

The comparative advantage of agriculture in the district can be argued to be as follows:

- Location: The Ugu District has access to the two ports on the east coast (Durban and Richards Bay) which are respectively 100km and 300km away from the district main economic hub (Port Shepstone). The district is served directly by the national road N2 which intersects with the N3 to the north, 120 kilometres from Port Shepstone, the economic hub of the District. The District will also be approximately 130 kilometres away from the new King Shaka International Airport/Dube Trade Port.
- Climate: Ugu District is characterised by a range of climatic conditions. This offers diverse opportunities for production. High temperatures and high rainfall in the coastal area makes it suitable for the production of subtropical crops.
- Water: There is a long coastline and a number of perennial rivers that offer opportunities for aquaculture. The rivers also offer opportunities for irrigation.
- Tourism: Ugu has strong opportunities for tourism which provides additional market opportunities for agricultural commodities and agro-tourism.
- Labour availability: There are large rural populations within the District as well as to the south of the District. Other than offering a pool of labour, these communities also serve as potential markets for agricultural products.
- Well Established Commercial Sector and Support Services: The Ugu District has a strong commercial agricultural sector (cane, timber, macadamias, and bananas in particular). This means that there is existing expertise and support as well as infrastructure and dedicated markets that can be used to further develop the second economy.



### 3.1.6.2. Tourism

Tourism is a growing economic sector internationally, nationally and provincially. Considering the comparative advantage that the district has in terms of tourism products (both existing and potential), it is important that strategic plans are in place to manage, market and develop tourism in Ugu to better capture the growing domestic and international market. Furthermore, tourism has the potential to create employment, reduce poverty and contribute to District economic growth.

A key reason for a focus on tourism development is that it results in wide ranging economic development for a given area and on a national scale. It is estimated that tourism contributes 10.1% to the global GDP, 7.3% to the South African GDP and 10% to the provincial economy. In South Africa KwaZulu-Natal is suggested to be the most visited province, with the South Coast having hosted approximately 9% of international travellers to the Province. Tourist surveys showed that 90% of the visitors were from within South Africa, 2.7% from the UK, and a small percentage from elsewhere around the world. Amongst the key attractions favourable climatic conditions (warmer weather during the winter season) and natural attractions were highlighted. A huge gap between demand and supply in the rural hinterland has been observed. It is suggested that the area cannot respond to the pace of the changing demands of the tourism market.

Increased visitor numbers result in increased income for a given area, which will assist in economic development of the area and the reduction of poverty levels. Importantly, tourism development in a given area will result in greater income to the local government, through which they will be better able to fulfil their mandates of service provision to the area under their control. Finally, it must be noted that increased income in the area will result in overall stimulation of the economy, due to the increased ability of households to spend in that local economy.

Tourism, the main economic activity in the District, is heavily concentrated in the coastal strip. Ugu tourism products and services include a wide choice of beaches (some with Blue Flag status); wildlife and conservation areas; hosting major events e.g. Loerie Awards and the Margate Air Show, Sardine Run; historical, religious and cultural assets; and sports and adventure tourism.

The District needs to explore a focused tourism approach instead of relying simply on the current influx of holiday makers. The Ugu District Municipality and each of the local municipalities have identified a number of projects and initiatives to develop the tourism assets and improve the management and marketing of Ugu tourist products and services. The newly incorporated Ugu South Coast Tourism Board, which is a Municipal Owned Entity, has been strategically positioned to grow the market share. This will be achieved by researching new products, vigorously marketing the destination and contributing in transforming the sector. Transformation of the sector will include attracting the emerging middle class and also changing product ownership. There is a focus on developing the niche markets such as business tourism, sport, heritage, cultural and adventure tourism. Investing in a Human Capital Development Programme still remains a key driver of growing Ugu's tourism and improving the standard of service.

The Ugu District Municipality is one of the four District municipalities that has been declared by KwaZulu-Natal Provincial Government as practice venues for the 2010

World Cup. This places the Ugu District Municipality and South Coast in a good position to market itself during the 2010 World Cup.

The four districts selected as practice venues have been allocated funding to upgrade their facilities. For this the Ugu District Municipality has developed a unique concept approved by the Development Facilitation Tribunal and also endorsed by the Province as a viable and best practice. The Ugu Sports and Leisure Centre is positioned as the catalyst project of sports tourism that could lead to foreign direct investment. The South Coast hospitality industry has responded well by registering their beds with the FIFA agent, Match. South Coast is currently a leading destination in terms of the room sign-up outside Durban.

Key factors impacting negatively on the development of tourism in underdeveloped areas of Ugu are poor road access, ownership of land, environmental degradation across the District. The strategic assessment of the tourism sector in Ugu has identified the following strengths, weaknesses, opportunities and threats:

TABLE 10: TOURISM SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Good natural attractions</li> <li>• Excellent infrastructure, products, private sector involvement in coastal belt</li> <li>• Good marketing associations in coastal areas</li> <li>• Continued demand for coastal holidays</li> <li>• Strong brand</li> <li>• Events such as Loerie Awards giving national coverage</li> <li>• Very accessible by road and air (coastal areas only)</li> </ul>	<ul style="list-style-type: none"> <li>• Spatially unequal tourism development</li> <li>• No co-ordination between district and tourism associations</li> <li>• No comprehensive and co-ordinated tourism development strategy</li> <li>• Few partnerships for tourism development</li> <li>• Local tourism associations competing against each other</li> <li>• No tourism development in hinterland areas</li> <li>• Products and activities on coast "old" and not attracting "new" tourists</li> <li>• Largely untransformed industry</li> <li>• Little tourism awareness beyond coastal areas</li> <li>• Limited involvement of local communities</li> <li>• Weak service levels</li> <li>• Very limited skills base</li> <li>• Poor infrastructure in rural areas</li> <li>• Booming coastal residential development not necessarily responsive to the tourists demand</li> <li>• Slow land reform</li> <li>• Comparative advantage not turned into competitive advantage</li> </ul>

Opportunities	Threats
<ul style="list-style-type: none"> <li>• Excellent opportunities to develop rural areas</li> <li>• Increasing tourism demand for tourist activities that hinterland can offer</li> <li>• Toll road will bring more travellers to coastal area</li> <li>• New group of travellers in domestic market can be tapped</li> <li>• Good comparative advantage</li> <li>• Large pool of potential labour</li> <li>• Other sectors such as agriculture / manufacturing can be linked with tourism</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Toll road will mean travellers no longer go inland via Harding</li> <li>• Toll road will mean less people stopping over</li> <li>• Few opportunities to grow capacity in terms of tourism training / mentoring</li> <li>• Increasing crime and increasing perception of Ugu being "unsafe" destination</li> <li>• Rural communities have mistrust of tourism seeing it as a "white man's thing"</li> <li>• Compromise of the natural, aesthetic beauty of the South Coast for residential development</li> <li>• Language barrier</li> <li>• No investment opportunities for SMME / BEE companies</li> </ul>

From the engagements with the Provincial Department of Arts, Culture and Tourism, it became apparent that their strategic plans are not conversant with the needs of the District in terms of tourism development and some of the abovementioned challenges. Therefore, there is a need for the department to engage with the local government by way of strategic consultative sessions for cooperative planning. This will pave the way forward for the relevant assistance that the department can offer to the municipality.

### 3.1.6.3. Manufacturing

In 2002 manufacturing contributed a 12.2% of the Gross Value Added (GVA). The decline in the contribution of the manufacturing sector experienced between 1996 and 2002 is of great concern for manufacturing in the district. This decline of 2.2% was the highest decline of all sectors, with the community services sector showing a substantial increase in contribution. The decline can be attributed to a number of factors including a lack of new capital investment in the sector, a decline in investor confidence at a time when areas to the north of Durban were attracting substantial levels of investment and others.

The contribution by the manufacturing sector to the district economy has decreased between 1996 and 2004, as has its contribution to employment in the district. However, it remains a key sector in the district economy as it contributed about 15% to the local economy and 12% to local employment in 2004. Its contribution to the local economy is, however, significantly below manufacturing the contribution of the sector to the provincial economy. More than 75% of the 242 registered manufacturing enterprises in Ugu on the district levy database are located in the Hibiscus Coast Municipality, mostly in the Port Shepstone / Marburg and Margate areas.

The developed industrial areas in Ugu are situated in Port Shepstone/Marburg, Park Rynie, Umzinto North, Umzinto South, Margate Quarry, Margate Airport and Harding. The key industrial sectors in the Ugu district are agri-processing, timber and timber products including furniture, clothing and textiles, food and beverages, arts and crafts

and construction related manufacturing. Nearly 75% of the manufacturing enterprises in Ugu are small enterprises (less than 50 employees), with a handful of manufacturers in Ugu being medium and large businesses. The majority of firms produce only for the local market, with less than a quarter of firms targeting the international market – these being mostly the larger clothing and textiles, and timber related industries. Many manufacturing firms are optimistic about future developments of their businesses, though some identified skills and labour, transport and roads, and access to finance as constraints to potential development of their businesses.

It must be noted that manufacturing sector has been given a new lease of life, by different initiatives undertaken by Ugu District Municipality and its family of municipalities, provincial and national government. The Regional Industrial Development Strategy advocates the new regime of investment incentives that are focusing on directing new investment to the economic declining areas and presidential poverty nodes in the country. This approach has found practical interpretation in the form of new different policies that has been developed by Department of Trade and Industry in the past few months e.g. the South African Biofuels Strategy.

The development of strong ties between the Ugu District Municipality and the eThekweni Metro regarding the development of the Durban South Basin Industrial Basin - Umdoni Industrial Corridor (Park Rynie, Sezela and Umzinto) is starting to bear fruits in terms of sharing information and experiences. It is also envisaged that in the long run it will be able to unlock the development potential and revitalise different industrial parks and nodes within Ugu District Municipality.

The following is a summary of the competitiveness of the manufacturing sector in Ugu:

- **Factor Conditions:** Strong factor conditions for the development of the industrial sector exist in the Ugu District Municipality. Considering the availability of infrastructure, labour, natural resources and a good living environment, there are few locations within the province and even South Africa that can compete with what is on offer in the Ugu District. The only major constraint relates to the availability of developed land in appropriate locations for the establishment of modern industries aligning to global standards and requirements. Other negatives relate to issues common in most areas of KwaZulu-Natal. It is extremely important that these issues, such as the low level of skills, the impact of HIV/AIDS and the quality of service delivery, should be addressed as priorities.
- **Firm Structure and Strategy:** Firm structure and strategy impacts negatively on the overall competitiveness of the Ugu District in terms of industrial development. The one strength of the District in this regard is the presence of a number of major corporates within this sector, a resource that few District Municipalities have access to. A concern in this regard would be that the companies often work independently and in isolation from their surroundings, thus having a limited impact on regional development. A need exists to create an environment within which firms want to grow and expand.
- **Markets:** As a result of local conditions, the regional development dynamics and the close proximity of the District to eThekweni, good access to local, regional, national and international markets exist for Ugu industries. At present the benefit for the District is limited, but the opportunity exists.
- **Relating and Supporting Industries:** The District has no real competitive advantage in terms of related and supporting industries. If anything the competitive advantage is localised around the Port Shepstone area.

- **Government:** The assessment of government (all spheres) policies, strategies and plans provide mixed messages for industrial development in Ugu. Strong support for industrial development is reflected in national and provincial government strategies. However, this is not acknowledged and confirmed in local government planning. Despite the good intentions of government, the industrial sector appears to derive limited benefit from the various strategies and programmes. This is most often attributed to red-tape, including complicated application forms and processes, limited feed-back on the processing of applications, etc. Local government planning shows limited commitment to the development of the industrial sector and impacts negatively on investor confidence.

The prospects for further development are good for agri-processing, timber and furniture, and arts and crafts, while there is limited growth potential in the clothing and textiles, and food and beverage industries.

#### 3.1.6.4. Trade and Commerce

Unlike the other economic sectors the trade and commerce sector tends to be less discrete in the range of activities it comprises. The range of activities included in this sector are wholesale and retail trade, as well as services and government / municipal services. The table below gives a brief indication of the kinds of activities that are included in these three broad categories according to the Standard Industrial Classification (SIC) Codes.

TABLE 11: SCOPE OF TRADE AND COMMERCE SECTOR

Wholesale and Retail Trade	Finance and Business Services	Community, Social and Other Personal Services
<p>All wholesale and retail trade. This includes trade in:</p> <ul style="list-style-type: none"> <li>• Agricultural products, food, beverages, machinery;</li> <li>• Textiles, books and stationary and pharmaceutical goods; and</li> <li>• Machinery, equipment and supplies.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial, insurance services and pension services;</li> <li>• Real estate services;</li> <li>• Computer services, engineering, architectural activities; and</li> <li>• Legal, accounting, bookkeeping, tax, market research and management consultancies.</li> </ul>	<ul style="list-style-type: none"> <li>• Government and local authority activities;</li> <li>• Education, health, social work, refuse disposal;</li> <li>• Libraries, museums, sporting activities; and</li> <li>• Hairdressing, funeral parlours, laundromats etc.</li> </ul>

The sector comprises about 56% of the Ugu economy. The majority of the output for this sector stems from the Hibiscus Coast Local Municipality, accounting for about 60% of the economy in the District. This is the municipality with the most prosperous and established economic nodes where the bulk of the commercial activity of the district takes place. Approximately 50% of the economies in Umdoni, Umzumbe and uMuziwabantu, and 36% of the economies in Vulamehlo and Ezinqoleni, relates to this sector. The main commercial hubs in Ugu are Port Shepstone, Shelly Beach, Margate, Port Edward, Hibberdene, Pennington, Umzinto Part (Ryise) Scottburgh, Dududu, Phungashe, Ezinqoleni and Harding.

A survey amongst formal businesses in most of the commercial hubs revealed the large impact that tourism has on the local economy: nearly 43% of businesses rely

solely on tourists for customers, with a further 10% relying on both tourists and local residents. Most businesses surveyed indicated improve business performance in the past two years, with more than three quarters of business optimistic about future business prospects in Ugu. The majority of surveyed businesses felt services and infrastructure support from local government to be inadequate and suggested that local government focus on infrastructure improvement and maintenance to improve the local business climate.

Key to development of this sector is SMME development, particularly in underdeveloped areas. In most cases this would entail support for development of informal enterprises. Due to their very nature, information relating to informal sector activities is difficult to obtain. It is estimated that between 10% and 20% of the economically active population participates in the informal sector. The urban informal economy in Ugu is distinctly different from the rural informal economy. While the former consists mostly of traders targeting tourists, the latter consists of construction, transport, food production, wood product, traditional medicines and other activities that target the rural population in the absence of formal enterprises. In both urban and rural informal economies, there is a lack of market space, facilities and storage, as well as access to affordable finance.

The urban renewal programme of the Harding Town, Ezingolweni CBD and Umzinto CBD is being implemented as part of the business retention and expansion strategy. It is envisaged that this will lead to growth in the retail sector and service sector. The improved infrastructure in these CBDs will contribute encouraging existing businesses to stay and expand. It will also assist in attracting new retail centres and national retail and service business to the three towns. This programme will also contribute in the restructuring of the informal trading in these areas through providing adequate informal trader facilities and introducing informal trading by-laws.

#### 3.1.6.5. Information Communication and Technology

The economic success of communities today is significantly influenced by their ability to adapt to the fast changing technologically driven market environment globally. To this extent, it is imperative that strategically planned Local Economic Development (LED) is used increasingly by communities to enable them to improve their potential for economic and social development. One key tool used to facilitate outcomes is diffusion of Information Communications Technologies (ICT) linkages across sectors. It is imperative to create linkages across sectors using ICTs to bridge the digital divide and enhance the potential for economic and social processes that work collaboratively to effect equitable growth and development.

ICT is the sector in the modern economy that offers the greatest potential for SMME development and employment creation. ICT can also make a significant contribution to poverty reduction and eradication in poor and marginalised communities by increasing access to information, as well as supporting SMME development in other sectors through reduced transaction costs. The development of the ICT sector and relevant infrastructure is a key national and provincial strategy to unlock the inherent business development potential in the sector, improve competitiveness of the economy and assist in poverty eradication.

Successful projects in developing SMMEs in the ICT sector implemented in SA include the SmartXchange in Durban, the Cape IT Initiative in Cape Town, and the Innovation Hub in Gauteng. A study is underway to determine the feasibility of developing a

similar project in Ugu. Furthermore, improving the ICT infrastructure throughout Ugu will greatly improve the business and investment climate in Ugu, as there is very limited ICT infrastructure currently available in Ugu, especially in the rural areas. Thinta Thinta has an under-serviced area licence (USAL) to provide telecommunication services in Ugu, but is struggling to rollout services due to limited funding.

The proposed national broadband infrastructure that will be deployed in the Umuziwabantu Municipal area by the newly established state-owned broadband company known as Infranco, is expected to contribute significantly to the growth of Ugu economy by providing local business with the opportunity to operate in the ICT enabled environment. The bold decision taken by Ugu District Municipality to invest in deploying the broadband infrastructure from Umuziwabantu ICT broadband main point to Port Shepstone will have a great effect in the economic growth of the area.

This new infrastructure will also add value in developing the Business Processing Outsourcing (BPO) sector, which mainly depends on the availability of the efficient broadband infrastructure. The BPO sector is a sector that is capable of creating sustainable permanent jobs. There is lot of initiative related to investment in human capital in this sector, of which Ugu District Municipality youth is currently benefiting from them.

#### 3.1.6.6. Sports and Recreation

The Department of Sports and Recreation has planned projects from 2007/2008 until 2010. The method of operation, especially the implementation of these projects, is based on service level/cooperation agreements with District Municipalities as implementing agents for these projects. During 2007/8 the Department was to experiment with the direct implementation of some of these projects. This will also include engaging capable local municipalities. This is in view of the fact that Local Municipalities are in almost all cases eventually responsible for the operations and maintenance of the sport and recreation facilities.

Sport and recreation is the lowest priority for municipalities, therefore the provincial department needs to work hand in hand with local municipalities in order to overcome the following challenges as identified by the provincial department:

- There is no comprehensive and reliable backlog identification and management system.
- The MIG Projects are sent to National DPLG without the recommendation of the Provincial Department of Sport and Recreation.
- There is a lack of co-ordinating structures in the provinces to ensure proper integrated planning.
- There is no cooperation between all spheres of government in terms of planning and service delivery.
- Information on Integrated Development Planning is not made available to provincial Departments of Sport and Recreation.
- There are no links between MIG structures and the existing coordination and/or management structures such as Minister and Members of the Executive Council Committee (MINMEC) and Technical Intergovernmental Committee (TIC) for Sports and Recreation
- Identification of backlog is not in line with provincial facilities-plans.
- There are no provincial facilities-plans.
- There are no facilities norms and standards, which define quality and costs for project implementation.

- There is a lack of human resources and capacity within the Departments of Sport and Recreation and Local Governments.
- Recommendation of projects is made by Sports and Recreation South Africa (SRSA) instead of provinces.
- There are no site visits to monitor sector conditions.
- The current project management system is too dependent on consultants.
- Existing facilities are under-utilised and not properly maintained.
- There is no maintenance budget within MIG.
- There are political instabilities and indecisiveness in some municipalities.

EPWP targets for the provincial department are based on identifying programmes (facilities, mass participation, MSSP, club developmen , 2010), confirming budgets (2007/8,2008/9,2009,10), define and confirming sector targets (employment and work opportunities-permanent, temporal, person days work, SMME), skills and training (persons trained, person days training, learnerships), defining and confirming implementation (programmes, location/municipality, budget, targets) as well as defining and confirming institutional arrangements.

The list below reflects the budget allocation for Ugu District Municipality based on the EPWP targets. This excludes other projects that have been planned in municipalities but which have not been funded by the provincial department.



Ugu: 2007/8 Umdoni = R1,3m  
 2007/8 Umzumbe = R1m  
 2008/9 Umuziwabantu = R1,5m  
 2008/9 Hibiscus Coast = R1,5 m  
 2008/9 Vulamehlo = R1,5m  
 2008/9 Ezingoleni = R1,5 m

### 3.2. KEY ISSUES IDENTIFIED

New issues continue to emerge on the economic front. These are generally reflected in the comprehensive LED Strategy of the District (finalised in 2007), but is not necessarily reflected in the IDP. Some of the economic issues to be specifically noted are:

The district economy is concentrated in the municipal area of the Hibiscus Coast with 60% of the economic activity occurring in this area. Umdoni attracts 18% of the District economic activity with the other municipalities each attracting less than 10%. Ezingoleni only attracts 2% of the economic activity.

Ugu is currently facing a high rate of unemployment. Poverty is the result of inadequate access to jobs, infrastructure and a range of opportunities. Low income levels is viewed as only one aspect of this complex problem. For purposes of measurement, however, income levels are an obvious indicator of poverty.

The average economic growth of the district has been 2% with Ezingoleni being the highest at 3% and followed by the Hibiscus Coast at 2.4% growth per annum. In order for the district to achieve the national 4.5% economic growth target for 2005-2009 it needs its economy to grow above the target. In order to achieve the Millennium Development Goals it will be necessary to (1) change the economic structure and nature, (2) facilitate growth in the existing businesses, (3) create an attractive investment environment and (4) lobbying for new businesses.

The level of economic activity in rural areas is a cause for concern especially considering the negative growth experienced in Vulamehlo. A concerted effort to turn around the rural areas, where there is potential, is urgent. This should be accompanied by priority investment in the Human Development Capital.

Changes in the structure and nature of the economy are critical but accompanying these should be the transformation on the ownership front for it to reflect the demographics of the district and the country.

The pace of Land Reform Programme and in particular land claims has been disturbingly slow. An engagement with relevant key stakeholders to fast-track this issue is critical and to this end the municipality is planning to hold a Land Summit before the end of the 2008 calendar year. The challenges emanating from the land reform process and lack of land owned by Ugu municipality, zoned for different economic uses, poses a serious threat to the sustainable economic growth and survival of economic sectors e.g. agriculture.

The district has a sparsely distributed population which leads to inefficient utilisation of land and the costly provision of services. At the same time it should be noted that there are some densely populated 'rural' areas which are facing serious environmental health related issues. Areas for which concerns have been raised includes development nodes in the hinterland, e.g. Dududu, Ezingoleni etc and residential areas such as Boboyi, Murchison, Mandawe, Mthwalume, etc. The difficult topography of the district is characterised by an abundance of riverine systems and gorges. On the tourism front this is a positive point as it makes it different and attractive, but this topography remains a challenge for service providers.

Eighty four percent of the 5044 km<sup>2</sup> District is classified as rural. The challenge with this split is that rural areas in the South African context have limited potential. Areas with some potential have generally been privatized. The apartheid spatial planning ensured that high potential land accommodates urban/formalised development. Previous interventions to contain people in rural areas have not been successful, however, it must be acknowledged that it will be difficult for our urban economies to cope with dramatic rural to urban migrations. Strategic growth points and nodes in rural areas must therefore be targeted, making them attractive as places to live and work. We should also in line with National Spatial Development Perspective in rural areas (as they have little to no potential) invest in people rather than physical spaces. Also to be noted is the fact that 37% of the population in 2004 was 14 years and younger but the population growth was only 0.8%. While further demographic analysis in this regard will be required, these statistics begin to indicate the impact of HIV and AIDS on the population older than 14 years.

It is suggested that a large percentage of children of school going age is not attending any schools. Children do not attend school due to financial constraints for schooling-related costs such as school fees, long distances to schools, and the impact of HIV and AIDS. Some children have to become heads of household and therefore cannot continue with schooling. However, other more complex social issues are at play and only a further investigation in partnership with the Department of Education can assist in establishing the causes and appropriate responses. This is an urgent matter as lack of education for these young people today will have huge societal implications in the future.

The skills shortage has been identified as one of the key challenges for economic growth, as well as decreasing the level of unemployment. It has been noted that the majority of the population is unskilled. The skills of those regarded as being skilled are also not in line with the requirements of the economy. While more research is still required in this regard, indications from stakeholders interviewed are that this national phenomenon applies in the district. Given the importance of relevant skills for employment and economic growth, a District Skills Profile is urgently required.

### 3.3. ALIGNMENT OF PRIORITY ISSUES

Local Economic Development has been elevated to one of the five Key Performance Areas (KPAs) for Local Government. Therefore, our constitutional mandate of developing communities both socially and economically has been reinforced by the new status that has been given to the LED.

The Local Economic Development and Tourism Unit has been working tirelessly to reshape and implement the new approach to Local Economic Development based on sound economic planning and alignment to national priorities and targets. This approach is also informed by the obligations that the municipality has towards achieving the Millennium Development Goals. This approach has opened up a number of possibilities for the entrepreneurs and poor communities that Ugu serve.

The strategies that have been developed in this KPA aim to contribute towards the achievement of the key national targets, namely to see an annual growth rate that averages 4,5% or higher between 2005 and 2009 and 6% between 2010 and 2014, as per the Accelerated and Shared Growth-SA Initiative (ASGISA). The other aim is to halve unemployment and poverty (the number of people earning less than the indigent grant level) by 2014. These programmes will strive to stimulate economic growth in key activity sectors aligned with the KwaZulu-Natal Industrial Development

Strategy, namely the automotive sector, wood, ICT, Tourism, agriculture and creative industries.

### 3.4. LED IMPLEMENTATION PLAN

KPA	: Local Economic Development (LED)
NATIONAL KPI	: Facilitation of job creation and access to business opportunities
OBJECTIVE/S	: Ensure economic transformation by bridging the gap between the first and second economy
MUNICIPAL KPI	: Increase number of sustainable and profitable cooperative that are benefiting through targeted procurement by different government entities and private sector

PROGRAMME	Cooperative Development Programme			
STRATEGIES	PROJECTS	PERSONSIBLE PERSON	ESTIMATED COST	SOURCE
Intensive capacity building programme based on the Coady Model	Training the Trainer Programme	Manager: Local Economic Development	R200 000	Internal Source
	Intensive training and mentorship programme of Cooperatives	Manager: Local Economic Development	R 2 million	Internal Source and Department of Economic Development
Identification of business opportunities and suppliers of raw materials for cooperatives	Promoting Sector/ Niche Markets Clustering Approach Model e.g. Toilet Paper Manufacturing Cooperatives	Manager: Local Economic Development	R100 000	Internal Source, Department of Economic Development and Department of Trade and Industry
Mainstreaming cooperatives in School Feeding Scheme	Establishment of School Feeding Cooperatives	Manager : Local Economic Development	R200 000	SEDA, DTI, Ithala, DED and Internal Funding

KPA	: Local Economic Development (LED)
NATIONAL KPI	: Facilitation of job creation and access to business opportunities
OBJECTIVE/S	: Ensure economic transformation by bridging the gap between the first and second economy
MUNICIPAL KPI	: Number of SMMEs that are statutory compliant, sustainable and benefiting from the targeted procurement

PROGRAMME	Small Micro Medium Enterprise (SMME) Development Programme			
STRATEGIES	PROJECTS	PERSONSIBLE PERSON	ESTIMATED COST	SOURCE
Capacitate different SMMEs in different	Emerging Contractors Development	Manager: Local Economic Development	R1, 8 million	Natal Portland Cement – Cimpor and

sectors to become sustainable.	Programme			Internal Funding.
	Caterers Development Programme	Manager: Local Economic Development	R100 000-00	Internal funding and SEDA
Implementing targeted procurement programme in certain contracts for goods and services	Maintenance Contract and Match Making Programme in all major contracts	Manager: Local Economic Development & Manager: PMU	R12 million (Bids Awarded and quotation)	Municipal Infrastructure Grant and DWAF grants

KPA : Local Economic Development (LED)

NATIONAL KPI : Thriving and vibrant local economy and neighbourhoods

OBJECTIVE/S : Creating an investor friendly environment for investors to invest in Ugu and create the needed jobs.

MUNICIPAL KPI : Securing of at least one foreign investor and domestic investors who can contribute in creating at least 500 sustainable jobs

PROGRAMME	Investment Promotion and Facilitation Programme			
STRATEGIES	PROJECTS	PERSONSIBLE PERSON	ESTIMATED COST	SOURCE
To market UGU as the investor destination of choice	Development of credible Investor Incentive Scheme	Manager: Local Economic Development	R 50 000-00	Internal Funds
	Investment and Trade Mission Hosting and Attending	Manager: Local Economic Development	R 350 0000-00	Internal and Trade & Investment KwaZulu-Natal
	Developing Marketing Material	Manager: Local Economic Development	R300 000-00	Internal Funds

KPA : Local Economic Development (LED)  
 NATIONAL KPI : Thriving and vibrant local economy and neighbourhoods  
 OBJECTIVE/S : To improve access to market to emerging farmers and promote value addition to the Ugu produce.  
 MUNICIPAL KPI : Secure at least one national agent and have a 70% operational market.

PROGRAMME	UGU Fresh Produce Market			
STRATEGIES	PROJECTS	PERSONSIBLE PERSON	ESTIMATED COST	SOURCE
Maximum operationilisation of the Fresh Produce Market	Securing of credible tenants and facilities operators	Manager: Fresh Produce Market	R 1 million	Internal Funds
	Market Maintenance and Operations	Manager: Fresh Produce Market	R 800 000-00	Internal Funds
	Mobilisation of the supply side (emerging farmers)	Manager: Fresh Produce Market	R 1 million	Department of Agriculture and Internal Funds
	Marketing of the Fresh Produce Market	Manager: Fresh Produce Market	R 300 000-00	Internal Funds
	Emerging Farmers Packhouse	Manager: Fresh Produce Market	R5,2 million	Gijima KZN and Internal Funds

KPA : Local Economic Development (LED)  
 NATIONAL KPI : Thriving and vibrant local economy and neighbourhoods  
 OBJECTIVE/S : Promoting the knowledge base economy and development of the new niche industries  
 MUNICIPAL KPI : To support at least two new industry feasibility studies or strategies that could lead to the growth of our econom and create new jobs.

PROGRAMME	New Sector Development/Niche Market Initiatives			
STRATEGIES	PROJECTS	PERSONSIBL E PERSON	ESTIMATED COST	SOURCE
	Business Processing Outsourcing Sector Opportunities Packaging	Manager: Local Economic Developme nt	R 400 000	Internal Funds, Business Trust , DTI and DED
	Alternative Energy or Renewable Energy Industry Development	Manager: Local Economic Developme	R 1 000 000	Central Energy Fund, Department of Minerals and

	Strategy and nt	Energy and Internal Funds
KPA	: Local Economic Development (LED)	
NATIONAL KPI	: Thriving and vibrant local economy and neighbourhoods	
OBJECTIVE/S	: Ensure economic transformation by bridging the gap between the first and second economy	
MUNICIPAL KPI	: To re-establish at least 50 hectares of land for food security and 35 hectares for commercial market	

PROGRAMME	Agricultural Development Programme			
STRATEGIES	PROJECTS	PERSONSIBLE PERSON	ESTIMATED COST	SOURCE
Support of the Agrarian Reforms and Development	Food Security Programme	Manager: Local Economic Development	R 1 000 000-00	DEAA, Internal Funds and NDA.
	Emerging Farmers Capacity Building	Manager: Local Economic Development	R 800 000-00	DOL. DEAA and AGRISETA.
	Crop Production for commercialisation	Manager: Local Economic Development	R 1 500 000-00	DEAA, CASP, MAFISA and Internal Funds,

KPA	: Local Economic Development (LED)
NATIONAL KPI	: Facilitation of job creation and access to business opportunities
OBJECTIVE/S	: Ensure economic transformation by bridging the gap between the first and second economy
MUNICIPAL KPI	: Contribute in the full occupation of all vacant buildings in one industrial park

PROGRAMME	Manufacturing Sector Support Programme			
STRATEGIES	PROJECTS	PERSONSIBLE PERSON	ESTIMATED COST	SOURCE
Revitalisation and expansion of the existing Industrial Parks	Park Rynie Industrial Park Revitalisation	Manager: Local Economic Development	R 5, 6 million	Umdoni MIG, Internal funds, DBSA, DTI and Growth Fund
	Furniture and Textile Cluster Support	Manager: Local Economic Development	R 50 000-00	Internal Funds
	Ugu Produce EXPO	Manager: Local Economic Development	R500 000-00	Internal Funds, TIK, Banks and DED
	Marburg Industrial Park Expansion Study	Manager: Local Economic Development	R 500 000-00	Internal Funds and DBSA LED Fund.



KPA	: Local Economic Development (LED)
NATIONAL KPI	: The number of jobs created through municipality's local economic development initiatives including capital projects.
OBJECTIVE/S	: To improve the economic planning capacity, data and statistics of the District
MUNICIPAL KPI	: Development of new strategies that enhance the economic planning in the district

PROGRAMME	Economic Planning and Sector Strategy Development Programme			
STRATEGIES	PROJECTS	PERSONSIBLE PERSON	ESTIMATED COST	SOURCE
Strengthen the economic planning in the district	District Spatial Economic Plan	Manager: Local Economic Development	R 900 000-00	Internal funds, DBSA LED Fund, and DTLGA.
	LED Strategy Review	Manager : Local Economic Development	R 400 000-00	Internal Funds, DTLGA, DBSA and DED
	Business Confidence Index or Survey	Manager: Local Economic Development	R 300 000-00	Internal funds, Private Sector and DED.
	Land Acquisition Strategy Development and Implementation	Manager: Local Economic Development	R 500 000-00	Internal funds

KPA	: Local Economic Development (LED)
NATIONAL KPI	: The number of jobs created through municipality's local economic development initiatives including capital projects
OBJECTIVE/S	: To improve coordination of marketing and position of South Coast as the Destination of choice
MUNICIPAL KPI	: To increase our market share by 5% and increase the number of tourists off-season

PROGRAMME	Tourism Marketing ( Ugu-South Coast Tourism Board)			
STRATEGIES	PROJECTS	PERSONSIBLE PERSON	ESTIMATED COST	SOURCE
Grow market share by attracting business tourism and new tourists	Trade Shows	CEO		
	Marketing	CEO		
	Information Office Support	CEO		
	Loerie Awards	CEO	R 650 000-00	Internal funds
	Events Support	CEO		





KPA	: Local Economic Development (LED)
NATIONAL KPI	: The number of jobs created through municipality's local economic development initiatives including capital projects.
OBJECTIVE/S	: Ensure the transformation of the tourism industry in terms of both the clients and product owners.
MUNICIPAL KPI	: To identify and support at least two new tourism products that has a huge potential to change the face of the industry.

PROGRAMME	Tourism Development (Ugu-South Coast Tourism Board )			
STRATEGIES	PROJECTS	PERSONSIBLE PERSON	ESTIMATED COST	SOURCE
Develop new products that will contribute in the transformation of the industry	UGU Jazz Festival	Manager: LED and CEO of USCT	R 300 000-00	Internal Funds
	Ntelezi Msani Heritage Project	Manager: LED and CEO of USCT	R 400 000-00	Internal Funds
	New Products Feasibility Studies	CEO of USCT	R1 000 000-00	Internal Funds
	District 2010 strategy	CEO of USCT	R 200 000-00	Internal Funds
	Creative Industries Support	Manager: LED and CEO of USCT	R 400 000-00	Internal Funds

KPA	: Local Economic Development (LED)
NATIONAL KPI	: Thriving and vibrant local economy and neighbourhoods
OBJECTIVE/S	: Ensure access to ICT by business in order to improve business processing and turnover and promote also universal access by Ugu residents
MUNICIPAL KPI	: To attract new investors in the ICT sector and improve the competitive edge of the District

PROGRAMME	ICT Sector Development Programme			
STRATEGIES	PROJECTS	PERSONSIBLE PERSON	ESTIMATED COST	SOURCE
Local Business and communities enabled by the ICT	Broadband Business Plan Development	GM: IED	R 450 000-00	Internal
	Broadband Infrastructure Deployment	GM: IED	+/- R2 million	DED, Internal Funds and Department of Communication
ICT Sector Development	ICT Hub	Manager: LED	R 4 million	DED, Internal Funds, Department of Communication

KPA	: Local Economic Development (LED)
NATIONAL KPI	: Thriving and vibrant local economy and neighbourhoods
	: Continuous and positive interactions with all key economic anchors and actors
OBJECTIVE/S	: To ensure that all our anchor projects has high impact effect on the poor people, local businesses and emerging SMMEs
MUNICIPAL KPI	: Successful implement at least one anchor project in the rural area and one anchor project in the urban area

PROGRAMME	High Impact (Anchor) Economic Development Initiative Support Programme			
STRATEGIES	PROJECTS	PERSONSIBLE PERSON	ESTIMATED COST	SOURCE
Support of the anchor project and its related issues	Hibberdene Harbour Implementation	Manager: Local Economic Dev and GM:IED	R2,1 billion	Preferred bidder financiers
	Ugu Sports and Leisure Centre	Manager: PMU and GM:IED	R337 million	MIG. Province and Potential Portuguese Investors
	Umuziwabantu Urban Renewal Project	Manager: PMU	R 4 million	Internal Funds and Umuziwabantu DTLGA
	Ezingoleni Urban Renewal Project	Manager: PMU	R8 million	
	Umzinto Urban Renewal	Manager: PMU and LED Manager (Umdoni)	R 5,5 million	DBSA, DTLGA, Internal Funds and Umdoni Municipality
	Margate Airport Expansion Project	GM: IED	Costing still outstanding	

KPA	: Local Economic Development (LED)
NATIONAL KPI	: Continuous and positive interactions with all key economic anchors and actors
OBJECTIVE/S	: Ensure consistent public participation in Local Econom Development Matters
MUNICIPAL KPI	: To have at least 75% of all the Forum Meetings as per the Council Meeting Roster

PROGRAMME	Local Economic Development Forum & Sub-Forums			
STRATEGIES	PROJECTS	PERSONSIBLE PERSON	ESTIMATED COST	SOURCE
Sound and credible policies and LED strategies	LED FORUM	Manager: Local Economic Development	R40 000-00	Internal Funds
	LED Technical	Manager: LED	R20 000-00	Internal

development	Forum		Funds
	LED Sector Forums	District LED Team R 40 000-00	Internal Funds

## 4. CHAPTER 4 - BASIC SERVICE DELIVERY AND INFRASTRUCTURE

### 4.1. SITUATIONAL ANALYSIS

Access to basic infrastructure and services is at the core of development and is necessary for improving people's lives, hence it is provided for as a requirement in our Constitution. In his 2007 Provincial Address the KwaZulu-Natal Premier, the Honourable Dr. Sibusiso Ndebele noted that KwaZulu-Natal is facing the challenge of overcoming services backlogs. On a provincial level 26% of households are without water, 44% without access to sanitation and 52% without access to electricity. The status quo with respect to basic services in Ugu was reviewed in the 2006 Water Services Development Plan which includes updates obtained from backlog survey undertaken with the support of DWAF. A further update was undertaken in December 2007 to revise the statistics for each local municipality with respect to water and sanitation backlogs.

#### 4.1.1. STRATEGIC PLANNING SESSION FOR THE WATER SERVICES PORTFOLIO COMMITTEE

This strategic planning session was held in January 2008. A number of areas that need further improvement to make the Water Services department operate more efficiently were identified and discussed. Key interventions required were discussed. In terms of the service delivery programme for 2007/08 and beyond the following programmes were identified and will form the main focus in water and sanitation infrastructure development:

#### Development of sustainable water resources

DAM	STATUS	Remarks
Mhlabashane Dam	Currently at design stage	Funded by Umngeni
Cwabeni off- storage dam	Detailed feasibility	DWAF undertaking the detailed feasibility studies
UMzimkhulu off- storage Dam	Under construction	Funded under MIG
Small farm dams	Preliminary studies still to be undertaken	Part of UGU LED strategy
Weza Dam	Preliminary feasibility studies	Project to be registered on Mig.

#### Backlog eradication

- Rural water supply – 32.2% backlogs
- Springs and Boreholes
- Pipeline extension
- Water supply and sanitation programme to schools and clinics

#### Water conservation and demand management programme

- Water leakage project (NRW)
- Pipe replacement programme

- Water awareness programmes
- Water and wastewater quality programme
  - Water quality monitoring
  - Water safety plan-under development
- Sanitation
  - Access to basic Sanitation programme
  - Development of Waterborne Sanitation
  - Upgrading of sewerage treatment plants
  - Refurbishment of sewerage pump stations
  - Pilot of programme for alternative sanitation service for housing, e.g. shallow sewer (condominium sewer) in selected areas
- Revenue enhancement programme
  - Meter Auditing
  - Illegal connections and by-law enforcement
  - Modelling of sustainable tariffs
  - Indigent outreach programme
  - Water awareness programme
  - Control centre and 24 hour toll free call centre

#### 4.1.2. REGIONAL WATER RESOURCES PLANNING STRATEGY

Ugu has developed a water master plan that seeks to integrate the 19 individual water schemes into sustainable systems as follows:

- Harding Weza water supply scheme
- Umtamvuna water supply scheme
- UMzimkhulu water supply scheme
- Umtwalume water supply scheme
- South coast bulk pipeline water supply scheme
- Vulamehlo water scheme
- KwaLembe water scheme
- Mhlabashane water scheme
- South coast water transfer system from Inanda Dam

The strategy seeks to integrate the isolated individual water schemes and provide for investment in more reliable water sources that will be more cost effective in addressing backlogs, meeting the demand due to urban development growth, and mitigating the effect of drought. The construction of the South Coast pipeline is already underway and is due for completion before the end of this calendar year. The northern part of the district is the most drought-prone area and the water transfer project from Inanda Dam into the Ugu District is an innovative intervention implemented in partnership with Umgeni Water and eThekweni Municipality (R200million investment). The strategy also seeks to start the construction of three dams, viz. the Weza, Mhlabashane and Cwabeni storage dams. Upgrading of the existing water schemes towards this goal are underway for the Mthwalume water scheme and augmentation of Umzimkhulu scheme (incorporating Bhobhoyi water works). Respectively R30m and R140m will be invested in these projects.

#### 4.1.3. WATER

The water supply to the District is derived from dams, rivers, ground water and bulk purchases from eThekweni and Umgeni Water. The northern coastal strip (i.e. Craigburn, Umzinto and Umtwalume) is serviced by potable water purchased in bulk by Ugu from Umgeni Water. The southern coastal strip is serviced by water extracted from a number of rivers and dams which is then treated at several treatment plants, owned by Ugu, before being distributed to households.

Distribution of water is done via 36 359 private household connections and over 4 000 communal stand taps which mainly services the inland rural areas.

##### Ground Water

Ugu has a rudimentary water supply programme incorporating the use of boreholes and spring water. There is a spring protection and borehole maintenance programme to support supply to communities. However, the ground water potential is not very good in most areas, resulting in the failure of such schemes.

##### Free Basic Water Policy

This policy is in place and covers all consumers who do not consume in excess of 30 kilolitres per day. An indigent programme is in place with a publicised register of 3500 households. The number is low due to the fact that most households are rural and access is provided through the communal standpipes and VIPs toilets for sanitation. The policy is being under development to fall in line with local municipalities so as to meet the specific needs of the poor.

##### FREE BASIC SERVICES

NO. OF CUSTOMERS RECEIVING FREE BASIC WATER MONTH OF FEB 2008	TOTAL NO OF CUSTOMERS RECEIVING INDIGENT SUPPORT MONTH OF FEB 2008
36 359 households	3 790 households
COMMENTS: The number of households above benefiting from free basic services is however based on the billing system while in the rural areas households benefit through the over 4000 stand pipes in the whole district.	

##### INDIGENT STATISTICS

NO. OF CUSTOMERS RECEIVING INDIGENT SUPPORT FOR THE MONTH OF FEB 2008
3 790 households

##### Backlog statistics

The backlog statistics are based on a survey undertaken in 2007/2008. The population figures as assessed were based on estimates and sample surveys and hence were much higher than the projections made by StatsSA. The figures represent the worst case scenario which is considered reasonable for water resources planning purposes.

Given the foregoing the Ugu District requires R1.1 Billion to eradicate the 2008/09 backlog of 32.2%. With the current rate of allocation and expenditure of funds the national targets will only be attained by 2014. In an attempt to fast track this Council has embarked on a number of initiatives, including steps to:

Explore leveraging MIG funding using private sector funds (loans) to bring projects forward-i.e. bridge funding

Target quick wins to eradicate backlog in selected municipalities;

Masakhane pipe extension programme-voluntary labour by communities to undertake extension of mains in areas with spare capacity

Increase capacity of the Project Management Unit (PMU); and

Mobilising additional funding from DWAF to address Bul systems

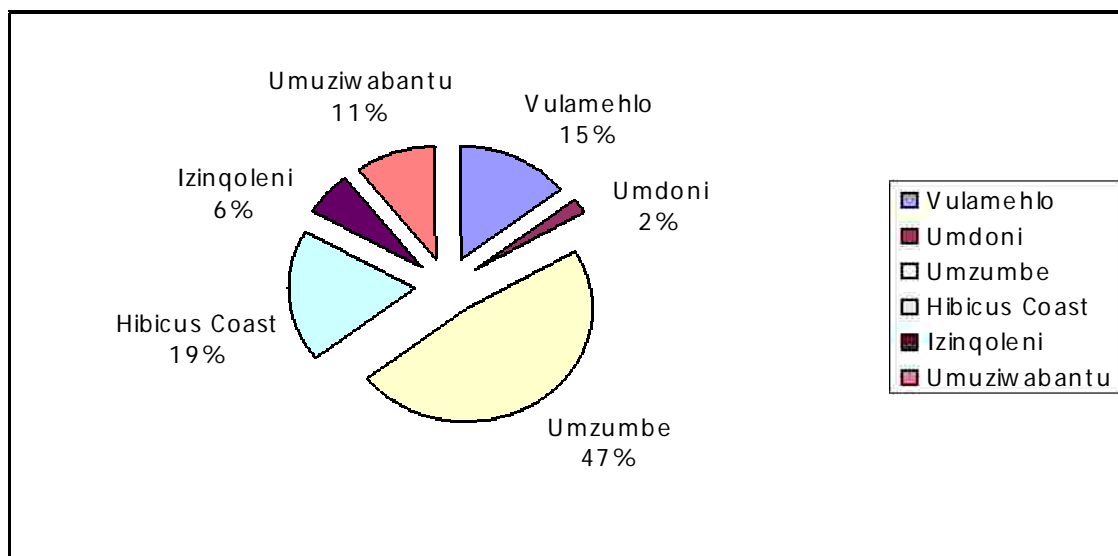
Strategic partnerships with other water utilities-eg.Umnjeni water

The status of 401 schools with regards to access to water and sanitation services has been assessed. A business plan has been prepared to source funding for the upgrading of water infrastructure at 201 schools.

TABLE 12: ANALYSIS OF WATER BACKLOG STATISTICS

Municipality	Estimated Population (Backlog study stats)	Backlog Population Per LM	% Backlog per LM (Backlog study stats)	Estimated Cost To eradicate backlog
Vulamehlo	121 904	38 177	14.5	R 165,392,000.00
Umdoni	62 084	5 519	2.1	R 22,076,000.00
Umkumbe	231 280	124 671	47.5	R 544,392,000.00
Hibiscus Coast	239 966	50 585	19.3	R 202,392,000.00
Ezingoloni	67 531	16 144	6.1	R 65,860,000.00
Umkuzwabantu	92 532	27 484	10.5	R 113,984,000.00
	815 297	262 580	32.2	R 1,117,304,000.00

FIGURE 6: % WATER BACKLOG PER LOCAL MUNICIPALITY





Water is becoming a scarce resource in the country and it is vital that it continuously be managed in a sustainable manner. Joint planning, alignment of plans and sharing of resources between organs of state is essential. The Ugu District Municipality therefore have an ongoing partnership with Umgeni Water and others including the DBSA. DWAF alluded to the district that it can re-direct an amount of R R50 million rand to Ugu. The Project Management unit is in a process of making necessary applications for R50 million funding from DWAF in respect of Mhabatshana and Umtamvuna water schemes.

The municipality has also developed various strategic plans including amongst others, the Water Services Master Plan, the Water Resource Planning, Sanitation Master Plan as well as other supporting plans. The municipality has done tremendous work thus far in reducing the water backlog through delivery of basic services to all its citizens as well as trying to fast-track and improve quality of life through potable water to rural areas. In his State of the District Address, the Honorable Mayor Cllr SB Cele alluded to many accolades, with regards to forward planning and restoration of MIG (municipal infrastructure grant) projects. Ugu's track record is excellent resulting in the MIG allocation of R118 million being the highest of all the District Councils in the country.

Although Division of Revenue Act is still in draft for the new financial year, Ugu District Municipality has been allocated R149 million. However, the municipality is still far from reaching its targets. The President's national target of 100% access to portable water and sanitation by 2009 will not be reached in the Ugu District.

Ugu has identified the following as key water and sanitation projects: Umzimkulu Water Augmentation, South Coast Bulk Pipeline and Masakhane Pipeline extension.

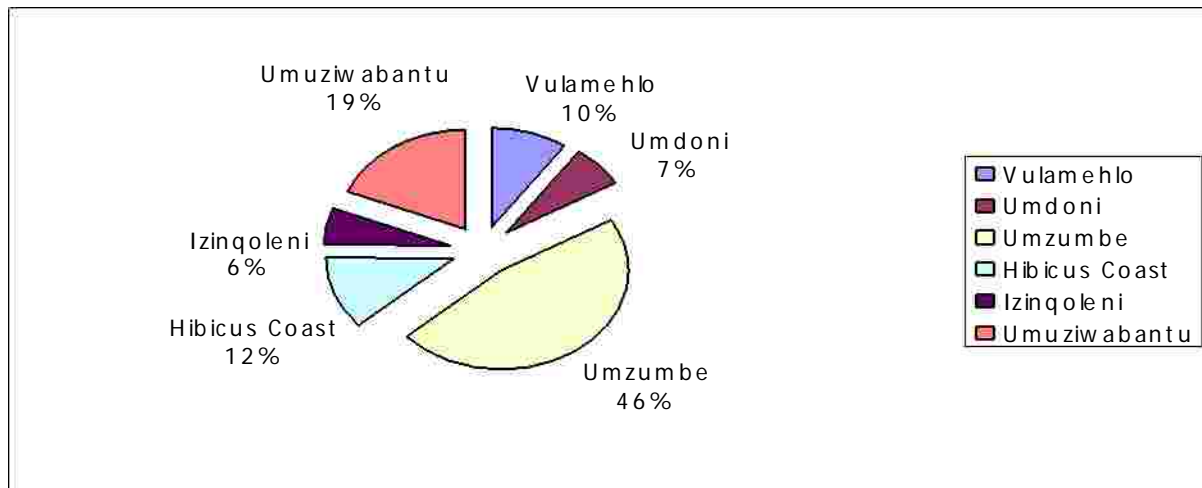
#### 4.1.4. SANITATION

According to the revised backlog estimates, reflected in the Ugu District Municipality Annual Report, 346 050 people or 32.7 % of the population are without access to sanitation.

TABLE 13: ANALYSIS OF SANITATION BACKLOGS STATISTICS

Municipality	Total Number of People per municipality	Number of Households per LM	Number of Households in need of sanitation	%Backlog (Backlog Study)	Estimated cost to eradicate the backlogs.
Vulamehlo	121 904	22 144	4 597	9.7	R 20,850,800.00
Umdoni	62 084	14 017	3 249	6.9	R 25,119,800.00
Umzumbe	231 280	33 040	22 153	46.7	R 99,688,500.00
Hibiscus Coast	239 966	21 902	8 914	18.8	R 46,473,000.00
Ezingoleni	67 531	10 769	2 765	5.8	R 12,442,500.00
Umuziwabantu	92 642	43 075	5 750	12.1	R 75,448,400.00
	815 297	144 947	47 428	32.7	R 280,023,000.00

FIGURE 7: % SANITATION BACKLOG PER LOCAL MUNICIPALITY



The Urban coastal strip has only a third of its household on waterborne sanitation. Most of the areas are serviced by package plants, septic tanks and conservancy tanks which do not in most cases meet the stringent disposal requirements that we need to maintain on our sensitive coastal environment. Waterborne sanitation development is to be undertaken as per the listed regional catchments in the sanitation master plan. By 2007 Ugu had completed a number of business plans towards this programme which requires close to 1.2 billion. Such funding will require access to loans and other financing options which will be developed in due course.

#### 4.1.5. ELECTRICITY

An Electricity Sector Development Plan (ESDP) is currently in place. However, the Eskom roll-out plan does not always take this study into consideration. Vulamehlo (94%) has the highest backlog, followed by Umuziwabantu (85%) and Umzumbe (73%). The projected backlog by end 2008/2009 financial year estimated at 49% (rural households). That creates a need to mobilize more funds to reach the target of 2012.

The table overleaf provides an indication of the electricity backlog and planned electricity projects by Eskom within the Ugu area up to and including the 2007-2012 5 year plans.

The following background information is relevant to Table 14:

The baseline is 2001

Progress by 2003 – indicated that there were 34 854 households i.e. 26% households that were electrified by 2003 (IDP 2006/2007);

Latest status (February 2007) – indicates that 57.2% of households have been electrified and there is backlog of 42.7%. It also indicates that 43.8% of schools have been electrified and there is a backlog of 56.1%.

National targets – the President has set a target that by 2012, 100% of households in South Africa should be electrified.

In the 2006/2007 IDP, the Ugu ESDP revealed that it is in rural areas where most interventions are needed. This is evident from the fact that in Vulamehlo only 94% of households have access to electricity.

TABLE 14: ELECTRICITY BACKLOG

No.	Municipality Name	Total no of Households		No of Households electrified			No of households not electrified			Total no of Schools	No of Schools electrified			No of Schools not electrified		
		Ugu	L.M	No.	Ugu	L.M	No.	Ugu	L.A		No.	Ugu	L.M	No.	Ugu	L.M
KZ211	Vulamehlo	15.805	10%	4.523	3%	29%	11.282	7%	71%	78	5	1%	6%	73	16%	94%
KZ212	Umdoni	15.280	10%	11.025	7%	72%	4.255	3%	28%	24	17	4%	71%	7	2%	29%
KZ213	Umzumbe	38.279	25%	16.514	11%	43%	21.765	14%	57%	190	89	20%	47%	101	22%	58%
KZ214	uMuziwabantu	19.088	13%	6.517	4%	34%	12.571	8%	66%	52	51	11%	98%	1	0.2%	2%
KZ215	Ezingoleni	10.682	7%	6.663	4%	62%	4.019	3%	38%	50	19	4%	38%	31	7%	62%
KZ216	Hibiscus Coast	51.466	34%	41.014	27%	80%	10.452	7%	20%	62	19	4%	31%	43	9%	69%
DC21	Ugu	150.600		86.256	57%		64.344	43%		456	200	44%		256	56%	

Note: While Eskom used total number of schools as 456, according to the information provided by the district office of the Department of Education, there are 517 schools in the district.

Figure 8: Household electricity Backlog %

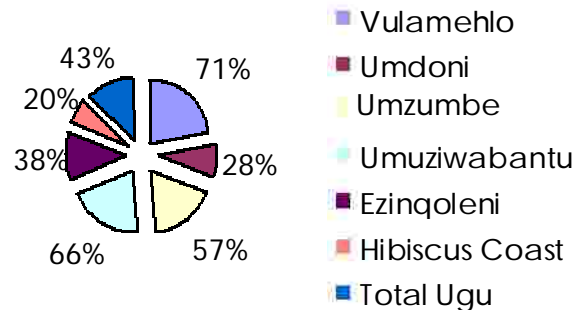


Figure: School electricity Backlog %

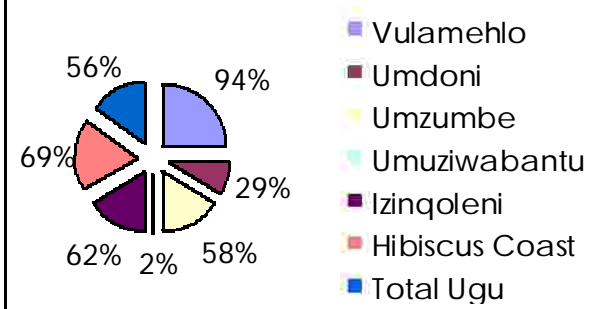


TABLE 15: ESKOM'S PLANNED ELECTRICITY PROJECTS FOR UGU DISTRICT MUNICIPALITY

Electrification sub-transmission				
Establish Kentorton 132/22kV s/s	R 7 079 578	Vulamehlo	Prelim Design Stage	
Kenterton-Umzali 132 kV Line	R16 000 000	Vulamehlo	Prelim Design Stage	
Kenterton 22kV Turn-in Lines	R1 000 000	Vulamehlo	Prelim Design Stage	
Normal Sub Transmission				
Redhill SS 22/11kV 10MVA conversion	R3 574 539	Hibiscus	Awaiting Release	Funding
Nkonka Oribi	R1 590 512	Umzumbe	Awaiting Release	Funding
Mthwalume SS 88/11kV Relocate & Upgrade	R5 798 280	Umzumbe	Awaiting Release	Funding
Eros Oribi 132kV Line 2	R30 208 680	Hibiscus	Awaiting Release	Funding
Eros 2 132kV Feeder Bay	R1 800 000	Hibiscus	Awaiting Release	Funding
Qwabe 22-11kV SS 5MVA Upgrade	R2 510 170	Umzumbe	Prelim Design Stage	
Dumisa 22-11kV 1.25 MVA SS Establish	R1 000 000	Vulamehlo	Prelim Design Stage	
Electrification Reticulation				
Qwabe NB55 Voltage Regulator	R500 000	Umzumbe	Prelim Design Stage	
Qwabe NB55 New Retic Line	R240 000	Umzumbe	Prelim Design Stage	
Normal Reticulation				
Bendingo Redhill 22kV Line	R600 000	Hibiscus	Awaiting Release	Funding
Mthwalume NB138 Retic Line	R500 000	Umzumbe	Awaiting Release	Funding
Ngwadini Turn-in-lines	R3 203 200	Vulamehlo	Awaiting Release	Funding
Qwabe NB58 11kV to 22kV Conversion	R3 159 000	Ezinqoleni	Awaiting Release	Funding
School Rd 109-Ugu Kwalembe Water Supply	R1 177 400	Vulamehlo	Awaiting Release	Funding
Amandawe Overloaded Transformers	R1 100 000	Umdoni	Prelim Design Stage	
Highflats NB22 11kV to 22kV Conversion	R2 570 000	Umzumbe	Prelim Design Stage	
Pungashe NB41 11kV to 22kV Conversion	R2 496 327	Umzumbe	Prelim Design Stage	

#### 4.1.6. ROADS AND TRANSPORTATION

##### 4.1.6.1. Intermodal Public Transport Facilities

The KwaZulu Natal Department of Transport (KZNDOT) has identified the development of intermodal public transport facilities as one of the key public transport improvement elements. An intermodal facility is a focal point where many modes of transportation converge to provide economical and efficient service to destinations.

Port Shepstone has been identified as a potential nodal point for building such a facility. This suggests that there is a constant demand for transport feeding from the more rural areas into this economic hub. The development of an intermodal facility will achieve the following objectives:

- Provide a safe and secure environment for all citizens and tourists to be able to access public transport services;
- Provide accurate, "real time" information to passengers on service available;
- Increase convenience for transferring passengers by decreasing transfer time and walking distance by integrating several transportation modes and/or routes into one facility;
- Eliminate or alleviate problems associated with on-street taxi/bus operations such as traffic congestion, sidewalk congestion, pedestrian accidents, insufficient curb space, illegal parking at termini and exhaust omission;
- Attractive design and appropriate architecture provided by the facility will improve urban environment therefore facilitate urban renewal and economic development; and
- Provide a focal point for other activities and services and incorporate private and public uses and activities into the facility, thus increasing the economic viability of the facility.

##### 4.1.6.2. Accessibility

Accessibility problems, together with the poor condition of the roads, have emerged strongly from all local municipal IDPs within the Ugu District. Whilst the coastal corridor is served by road infrastructure of a good standard, including a national road (N2), maintenance is becoming a serious challenge. The inland road system is still at a level where most roads are gravel and not passable on rainy days. The cost associated with road construction and repairs make it difficult for municipalities to undertake such road upgrading projects. This is especially the case in inland municipalities which are rural and totally dependent on grants from the other spheres. Only a limited number of access roads have been constructed by the local municipalities outside the urban areas.

The KZN Department of Transport, as the major role player, is still experiencing some difficulties in aligning its programme with those of the municipalities. This has resulted in the implementation of projects that are not part of the IDP. However, this situation is expected to improve significantly in the 2007/2008 financial year with the initiative led by

the South African National Roads Agency Limited (SANRA ) for transport infrastructure development in the district. SANRAL has committed funds for road infrastructure and upgrading of access roads with special emphasis on the provision of access route to schools and clinics as a priority. This will account for the bulk of the 2008/09 expenditure on the programme. The programme priorities for the 2008/2009 financial year are as follows:

#### Access to Clinics:

P520 (Lundimala)  
 D 943 (Madlala)  
 P 73 (Mabheleni, Ndelu)  
 P 75 – 2 (Khayelihle)  
 P254 (of 1) (Mgayi)  
 947 (Marrison's Post)  
 P D862 (KwaJali)  
 D860 (Meadow Sweet)  
 D908 (Xhamini)  
 D165 (KwaMbotho)

#### Access to Schools

Off D1075 (Inguko School: gravel road is in a bad state of repair)  
 D970 (Bridge is required to cross to Enkanini School)  
 D904 (Ufundwenhle Primary School: gravel road is in a bad state)  
 Off P254 (Hyman School: gravel road is in a bad state or repair)  
 Off D454 ( Bhekisizwe School : gravel road is in a bad state or repair)  
 Off D1054 (Thuthuka School: gravel road is in a bad state or repair)  
 Off D937 (Gemane School :gravel road is in a bad state or repair)  
 Off D1075 (Ntengo School: gravel road is in a bad state or repair)  
 Off D923/4 (Gubhuza School)  
 P327 (access road to Mdulashi School)  
 D912 Access road to Mdulashi School)  
 D827 (Access road Ecekeza, Gabhimanzi Mbambuya School)  
 D926 (Access road to Umzokhanya Primary School)  
 D1100 & D914 ( Access road to Kubhulu, Esivivaneni & E yandeni road)  
 D862 (Mkhoba School)  
 D926 (Umzokhanyayo School)  
 Access road to Mfundenhle School (Ezinqoleni)  
 D901 (Mbambi & Imbizane Schools)  
 D1091/D1110 (Mcushwa, Mlonde, Bashise & Mthombothi Schools)  
 D912 (Mdulashi School)  
 D927 (Ecekeza, Gabhamanzi, & Mbambuya Schools)  
 Dingeton & Mambongweni School (road number .....)  
 Fast tracking P 732 & off p732 (Shibase, Phathwa & Delihlazo Schools)

#### 4.1.7. TELECOMMUNICATION

Information on telecommunication infrastructure in the district is difficult to access from the various service providers. However, it is believed the District is underserved by telecommunications networks and this has been confirmed by the allocation of an "under-serviced license" to the area. This situation has serious implications for the district, especially in the rural areas, as access to such infrastructure has significant impact on the economic development.

All the cellphone companies with licences to offer service in the country operate in the District. The country's fixed-line operator is also present. In addition, ThintaThinta is available as an alternative service provider given that Ugu is an under-serviced area. Due to high competition in this field from all the operators it is extremely difficult to get information about different service providers' network coverage. Even where information was obtained, the service providers were not prepared to provide statistics on their area coverage.

Regarding the fixed line services, urban areas use radio systems which are clearer and unfortunately expensive. Most of the rural hinterland, especially areas under the jurisdiction of Umuziwabantu, Vulamehlo and Umzumbe municipalities uses DECT and solar system. The shortcoming of this infrastructure is that on cloudy days it does not work optimally, as solar panels use sun rays for energy. In addition DECT works like cell masts in that if there are obstructions between your house/office and the infrastructure the line will be less clear. The use of DECT and solar system in the rural areas was in response to the problem of copper theft which was and still is acute in outlying areas.

With the introduction of second network operator (SNO) Telkom does not seem to be keen on improving infrastructure where it does not make business sense. The introduction of the SNO can in this respect be a disadvantage to the rural areas, i.e. Telkom is likely to play a wait-and-see game for some time. The under-serviced areas may on the other hand benefit from the introduction of the SNO as it may target these areas.

Telecommunications infrastructure for the purpose of internet access by the rural population should receive urgent attention.

In recent years 90 Vodacom network sites have been established in the Ugu District. During the forthcoming financial period they are focusing on installing 26 network sites in various municipalities. The sites are allocated to the various municipalities as follows: eight in Umzumbe, ten in the Hibiscus Coast Municipality; two in Ezingoleni, four in Vulamehlo and two in Umdoni.

Key challenges that interfere with the rollout of services includes unavailability of Eskom power, poor infrastructure in certain rural areas (especially Umuziwabantu Municipality), delays in obtaining environmental impact assessment (EIA) approval reports from the relevant stakeholders and major backlogs on Telkom transmission delivery. By the end of MTN's financial year 10 networks coverage sites will be activated in the district and about 4 are expected to be active.



#### 4.1.8. HOUSING

According to the Department of Housing (DoH) has not been defined methodology used to calculate housing backlog prior to 1994. Each municipality produces its own housing sector plan and obtains funding through different sources. In ensuring the consistency of planning and service provision, Honourable M Mabuyakhu MEC for Housing, committed the department to fund the District for the preparation of the District Housing Sector Plan. The Department of Housing (DoH) is not the custodian of the project but assists municipalities in ensuring that their sector plans are implemented. It has set aside funding to assist local municipalities to deliver their housing plans, as well as some community projects that were initiated by private sector but could not be implemented due to a shortage of funds. However, endeavours are made to align current projects with district municipal plans and other sector plans.

Each year the DoH awards funding to different municipalities based on what was agreed upon (approved) as well as the work completed by the municipality. If work is not complete at that given point in time and there is more funding available DoH can use that funding to fund other projects. The funding depends on the approved project at the given point in time.

The type of housing projects that DoH distributes range from rural housing, in-situ upgrading, slums clearance to the People's Housing Process. This depends on the location of the area and the housing structures that will be provided.

One of the challenges that the district faces is that houses are built without services such as water, sanitation and electricity. This is a result of the lack of coordinated planning and alignment. Ugu district municipality is a water services authority and mandated to provide water and sanitation. However, capital cost for funding bulk infrastructure is a major problem for new housing development especially if there are no services in-place. The Ugu District Municipality planning and budget allocation is according to its water and sanitation master plan, but it is in a position to assist local municipalities with feasibility studies and preliminary design for water and sanitation projects. The IDP forum is one of the platforms that can be used in addressing joint planning and ensuring integration of sector plans and budget alignment. Prioritisation of projects, speedy service delivery, housing quality and adhering to municipal bylaws are important issues in the housing development process.

The housing development in South Africa is market-driven which means that prices are determined by developers. This, together with other factors, makes prices high. The unemployed and low income earners housing needs are addressed through the low-income houses. The middle-high and high-income earners are also able to buy and service their houses as they can afford high prices. However, the low-middle and middle-income earners are not accommodated for in the market as they do not qualify for low-income housing scheme and also cannot afford such high prices in the developers-driven market. Most of the low-middle and middle income earners end up residing in non-formalised settlements which is an investment drain for them and create a vicious cycle for this group not to become economically independent.

There is a huge demand for housing that both the market and the state are currently not catering for. For instance, some people living in rural areas are against formalised

townships and prefer the rural lifestyle and the benefits related thereto. The provision of formal housing in rural areas therefore needs to be more fully explored. Different models of social housing programmes for low-middle and middle-income earners should also be explored and where relevant implemented.

#### 4.2. KEY ISSUES IDENTIFIED

Access to basic services and infrastructure is a constitutional obligation to all citizens wherever they reside. The highlighted challenges are in respect of provision of service delivery to communities. These challenges include amongst others:

##### 4.2.1. WATER:

- Ensuring continuous supply of portable water to communities;
- Ensuring universal access to portable water;
- There is poor or limited ground water in some areas due to poor soil conditions;
- There is difficulty in accessing most areas of the district due to difficult topography and poor roads;
- The depletion of water as a resource which is a universal concern emanating from poor water management;
- Lack of ability of significant number of households to pay for water used; and
- The dispersed settlement pattern in rural areas thus increased per capita cost for water supply.

##### 4.2.2. SANITATION:

- Access to basic sanitation;
- Eradicating sanitation backlog;
- There is no sanitation policy in place;
- Lack of adequate funding to meet the National target of 100% provision of sanitation by 2009; and
- There are not enough contractors qualified under Construction Industrial Development Board.

##### 4.2.3. ELECTRICITY:

- Lack of funding and capacity from Eskom to meet the national target of 100% electrified households by 2012;
- Lack of funding and capacity to find alternative source of energy or energy conservation methods;
- Eradication electricity backlogs; and
- Lack of accuracy of data to plan for eradication of electricity backlog.

##### 4.2.4. ROADS:

- Poor road conditions;

Unequal standards of service between the urban and rural areas;  
 Poor accessibility to roads/ public transport;  
 Limited funding in road maintenance/ lack of road maintenance;  
 The cost associated with road construction and repairs make it difficult for municipalities to undertake such projects; and  
 The KZN Department of Transport still experiencing some difficulties in aligning its programme with those of the municipalities.

#### 4.2.5. TELECOMMUNICATION:

Information on telecommunication infrastructure in the district is difficult to establish;  
 Bridging the digital divide remains a critical challenge;  
 Under-serviced license for increasing the tele-density;  
 Telecommunication coverage is below average standard;  
 Lack of funding for fixed line services;  
 Unavailability of Eskom power results in poor infrastructure in certain rural areas especially Umuziwabantu Municipality  
 Delays in obtaining environmental impact assessment (EIA) approval reports from the relevant stakeholders; and  
 Eradicating backlogs on Telkom transmission delivery.

#### 4.2.6. HOUSING:

Enormous demand for housing that both the market and the state are currently not catering for;  
 Eradicating housing backlog;  
 Lack of coordination and integrated planning between department; and  
 Provision of diversity of housing typology to all income groups.

### 4.3. ALIGNMENT OF PRIORITY ISSUES

Alignment of government policies and plans is crucial in strategic planning. Therefore the relevant binding and non-binding national and provincial legislation including policies, programmes and strategies need to be considered in the municipal development planning process and interventions. Also included are resolutions from key stakeholders engagements conducted in the recent past as these should be used in the analysis and in formulating the proposed interventions. The following are relevant to basic service delivery:

Provide basic services to all citizens wherever they reside (NSDP);  
 Investments in development and the provision of basic services (PSEDs);  
 Fast-track and improve the delivery and the quality of potable water to rural areas (SDF) / IDP);  
 Establishing minimum standards for key services (RDP);  
 Sustainable governance and service delivery (PGDS);  
 Integrating investment in community infrastructure (PGDS);

Focus where government directs its investment and development initiatives (PGDS);

Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation (MDG);

The President has set a National target that by 2012, 100% of households in South Africa should be electrified;

Provision of safe and healthy environment for all (WHO Standards);

In cooperation with the private sector, make available the benefits of new technologies, especially information and communications (MDG);

Government spending on fixed investment should be focused on localities of economic growth and/or economic potential in order to gear up private sector investment, stimulate sustainable economic activities and create long-term employment opportunities (NSDP);

Push for more infrastructure investments in the form of cell phone masts to improve reception; and

Engage the preferred, low cost cellular network provider nta Thinta, to traverse the reception issues further and ensure bigger benefits for rural communities (State of the District Address 02 March 2007).

#### 4.4. IMPLEMENTATION PLAN:

KPA : Basic service delivery and infrastructure investment

NATIONAL KPI : Universal access to quality, affordable and reliable municipal services - water

MUNICIPAL KPI : Eradication of water backlogs

PROGRAM : Delivery of water to communities

OBJECTIVE/S	Eradication of Water Backlogs			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Accelerate water infrastructure rollout	Annual budget allocation and expenditure on "infrastructure maintenance" plan	Manager PMU		MIG Grant and DWAF Funding
	Water provision according to RDP standards	Manager WSA		MIG
Expansion of water network in a sustainable manner	Construction of three dams: Weza, Mhlabashane and Cwabeneni off storage dam	GM Water Services		MIG Grant and
	Upgrade of the existing water	GM Water Services		Loan Funding

	schemes for Mthwalume water scheme and augmentation of Umzimkhulu scheme (incorporating Bhobhoyi water GM Water Services works).			
	Construction of the South Coast pipeline	GM Water Services		Umngeni water
100% access to water in schools and clinics by 2012	Develop and implement schools and clinics water supply program	Manager PMU & WSA		MIG Grant and

KPA : Basic service delivery and infrastructure investment  
 NATIONAL KPI : Universal access to quality, affordable and reliable municipal services - water  
 MUNICIPAL KPI : Access to Rudimentary water services by protecting springs and boreholes  
 PROGRAM : Rudimentary Water Program

OBJECTIVE/S	To ensure as a minimal & temporary measure, access to rudimentary water services by protecting springs and rehabilitating boreholes			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Rudimentary water program	Protect springs and Rehabilitate boreholes	Manager PMU		MIG Grant
	Maintenance of boreholes and spring protection	Manager PMU		MIG Grant

KPA : Basic service delivery and infrastructure investment  
 NATIONAL KPI : Universal access to quality, affordable and reliable municipal services - water  
 MUNICIPAL KPI : Conservation and management of water supply  
 PROGRAMME : Water Leakage Management Programme

OBJECTIVE/S	To reduce water loss			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Develop a Water Leakage Management strategy to release pressure of the current system	Establish water leakage management unit	GM Water Services		Internal funding
	Revise water service by-laws	GM Water Services		Internal funding
Enhance the municipal relationship with the strategic partners such as Umngeni water; suppliers	Enter into MoU with DWAF, Umngeni Water around water resource management	Manager Legal Services		Internal funding
Raise awareness on water conservation and management	Water sources management educational campaign	GM Water Services		Internal funding
	Implementation of water harvesting programme	GM Water Services		Internal funding
	Recycling of waste water	GM Water Services		Internal funding

KPA : Basic service delivery and infrastructure investment

NATIONAL KPI : Universal access to quality, affordable and reliable municipal services - water

MUNICIPAL KPI : Provision of clean, healthy and quality water

PROGRAMME : Water Quality Programme

OBJECTIVE/S	Ensure quality in portable water			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Ensure certification of ISO of quality water	Regular testing of water quality	Senior Manager Operations		Internal funding

KPA : Basic service delivery and infrastructure investment

NATIONAL KPI : Universal access to quality, affordable and reliable municipal services - water  
 MUNICIPAL KPI : Prioritise and fast track provision of water and sanitation in schools and clinics  
 PROGRAMME : DWAF Special Fund Programme

OBJECTIVE/S	To provide portable water and sanitation services to schools and clinics			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Fast track access to water and sanitation in schools and clinics	Provision of water and VIP toilets to schools and clinics in the 2008/2009 financial year	GM infrastructure and economic development	R 50 million	DWAF

KPA : Basic service delivery and infrastructure investment  
 NATIONAL KPI : Universal access to quality, affordable and reliable municipal services - sanitation  
 MUNICIPAL KPI : Providing community with decent sanitation  
 PROGRAMME : Restoring dignity

OBJECTIVE/S	Eradication of sanitation backlogs in rural areas			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Explore more cost effective sanitation systems	Prepare business plan on piloting condominial technology	GM Water Services		MIG Grant
	Develop a policy that sets minimum norms and standards on sanitation system for low income housing	GM Water Service		Internal Funding
Co-ordination and alignment on the plans of the municipality and other spheres of government in order to improve service delivery at local government	Implementation of Sanitation Master Plan	GM Water Services		MIG Grant/DBSA
	Implement the low income housing sanitation programme (alignment with the LM's)	GM Water Services		MIG Grant/DBSA
	Implement two regional waste water treatment plant and water borne sewerage	GM Water Services		MIG Grant/DBSA

	infrastructure			
	Upgrade and maintain existing infrastructure	GM Water Services		MIG Grant/DBSA
	Upgrade capacity of the sewage treatment plants	GM Water Services		MIG Grant/DBSA
100% access to sanitation in schools and clinics by 2012	Programme that will prioritize the provision of water and sanitation services to all schools and clinics	GM Water Services		Internal Funding

KPA : Basic service delivery and infrastructure investment  
 NATIONAL KPI : Regular investment in infrastructure and productive equipment  
 MUNICIPAL KPI : Upgrading of sanitation system  
 PROGRAMME : Sanitation upgrading programme

OBJECTIVE/S	Upgrading of sanitation to full waterborne system			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Connect more areas/ households on full waterborne sanitation system	Upgrade urban sewerage Infrastructure to full waterborne	Manager WSA		MIG Grant/DBSA

KPA : Basic service delivery and infrastructure investment  
 NATIONAL KPI : Regular Investment in infrastructure and productive equipment  
 MUNICIPAL KPI : assessing the feasibility and viability of alternative and renewable sources of energy  
 PROGRAMME : Energy Access

OBJECTIVE/S	To ensure continuous access to energy supply in households and business establishments			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Enhance the municipal relationship with strategic partners	Enter into MoU with local, national and international private sector player to find best practise	Manager Legal services		Internal funding



Investigation of the potential viable wind power and bio-fuel as alternative source of energy	Research study on alternative source of energy (wind power and bio-fuel)	GM Infrastructure and economic development		Internal funding and external funding
Provision of infrastructure to allow household connection	Construction of Reticulation and sub-transmission	GM Infrastructure and economic development		Eskom

KPA : Basic service delivery and infrastructure investment

NATIONAL KPI : Universal access to quality, affordable and reliable services - roads

MUNICIPAL KPI : Prioritise and fast track provision of roads with special emphasis on schools and clinics

PROGRAMME : Infrastructure for Poverty Alleviation (SANRAL) Programme

OBJECTIVE/S	Provision of all-weather road network throughout the district area			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Ensuring mobility and accessibility for the district particularly for public services	Implementation of the SANRAL roads infrastructure for poverty alleviation programme prioritising schools and clinics as listed		Distance 11km = R11million	SANRAL DoT

KPA : Basic service delivery and infrastructure investment  
 NATIONAL KPI : Regular investment in infrastructure and productive equipment  
 MUNICIPAL KPI : To attract new investors in the ICT sector and improve the competitive edge of the District  
 PROGRAMME : ICT Sector Development Programme

OBJECTIVE/S	Ensure access to ICT by business in order to improve business processing and turnover and promote also universal access by Ugu residents			
STRATEGIES	PROJECTS	PERSONSIBLE PERSON	ESTIMATED COST	SOURCE
Local Business and communities enabled by the ICT	Broadband Business Plan Development	GM: IED	R 450 000-00	Internal
	Broadband Infrastructure Deployment	GM: IED	+/- R2 million	DED, Internal Funds and Department of Communication
ICT Sector Development	ICT Hub	Manager: LED	R 4 million	DED, Internal Funds, Department of Communication

KPA : Basic service delivery and infrastructure investment  
 NATIONAL KPI : A clean, safe and healthy municipality  
 MUNICIPAL KPI : Ensuring access to services (sanitation) of acceptable standards as per municipal by laws  
 PROGRAMME : Housing for all

OBJECTIVE/S	Adhere to municipal sanitation by-laws in housing projects			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Approval of RDP housing projects with strict application of municipal policies on sanitation	Co-ordinated and integrated initiation and planning of housing projects both at local and district levels	Senior Manager: Operations		

## 5. CHAPTER 5 - INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

### 5.1. HR STRATEGY

A district wide approach has been adopted to enhance, develop and align human resource (HR) practices throughout the district. All Local Municipalities, as well as the District Municipality, participate in this process. This approach has resulted in the establishment of the following fora and programmes:

**HR Managers' Forum:** HR managers of each municipality comprise this forum. The intentions of this forum are to support each other, sharing best practices and information as HR sections of the municipalities from Ugu, and secondly, to support and advise the Municipal Managers Forum on technical details relating to human resources matters.

**Skills Development Forum:** This forum includes HR Managers and Skills Development Practitioners within the municipalities. The intention is to develop skills development initiatives which are responsive to illiteracy, the critical and scarce skills dilemma, talent development and management, skills acquisition and retention, quality assurance of training, strategic training, and overall investment initiatives of the district.

**Employee Assistance Programme:** The erstwhile "Employee Assistance Programme" is evolving into an integrated "Wellness Programme". The evolution seeks to shift the programme from one of providing assistance to employee who request such due to a compromise of their productivity, as a result of socio-economic challenges faced, to one which promotes holistic wellness, which incorporates all employee benefits. The enhanced programme focuses on the maintenance of a work/life balance through effective management of stressors which emanate either from the workplace or the social circumstances of employees, but nonetheless, if ill managed, adversely affect productivity and performance of the municipality.

**ABET programme:** The municipality's ABET programme has been enhanced through the conclusion of a partnership with the Department of Education. The partnership is underpinned by the common goal of the eradication of illiteracy. Member partners are the Local Municipalities, the District Municipality and the Department of Education. Development Centres will be established within local municipalities and employees who are beneficiaries of ABET will attend classes in the development centre closest to their workstation. Currently, two development centres are operational within the District.

**Women Development Programme:** The municipality has embarked on a concerted women development programme. To this end, a draft women development policy has been developed and is at adoption stage. The development of women encompasses female officials, councillors and young female citizens. Female officials are further capacitated through the inclusion of middle management female officials at the Extended Top Management meetings. The recruitment of female interns for historically

male dominated jobs is focused on. This has resulted in the recruitment of four (4) female interns within the municipality's ICT section.

**Training Initiatives:** Specifically identified training initiatives are co-ordinated at a district level with beneficiaries of all Local Municipalities and the District Municipality attending such training sessions together. This project results in an effective disbursement of training costs, with the entire family of municipalities receiving quality training simultaneously. This approach has yielded positive results in the following training interventions:

- Supply Chain Management
- Bid Committee
- Performance Management
- Minimum Competency Levels as promulgated
- SDBIP
- SARS regulations regarding salary structuring
- Ward Committee
- Project Management learnership
- Critical & Scarce Skills
- Call centre skills learnership

**Occupational Health & Safety:** The aspect of Occupational Health & Safety has yielded a Hazard Identification & Risk (HIRA) exercise, in which sixty six (66) municipal sites have been assessed. The results of the assessment have culminated in an electronic risk assessment management system being developed. The effective management of risks through this system informs mitigation strategies that the municipality will adopt in order to minimize risk. The risk management system is in line with the international Occupational Health & Safety Association Standards (OHSAS), as well as the International Standards Organisation (ISO) standards. The municipality has adopted an Emergency Evacuation Plan, in conjunction with the local municipality within whose geographical jurisdiction the administration offices of the District Municipality reside. Employees of the municipality have, in adherence to the legal requirements contained within the OHS Act, undergone the following:

- Audiometric testing where they work at sites where noise in excess of 85 decibels is emitted.
- Hepatitis testing for staffers who work at sanitation treatment plants.
- Defensive driving training for support staff of political leadership, as well as officials whose area of work is traversed by gravel roads.

Occupational Health & Safety is extended to the community through the OH&S unit playing a role in the management of contractors appointed to implement municipal infrastructural projects. Appointed contractors are obliged to observe stringent OH&S principles, thereby ensuring the safety of members of the community who are employed to work on such projects within their respective communities. The incident rate within the workplace has decreased from the previous financial year by 50%.

**Labour Relations:** In order to maintain stability within the organisation, the municipality has employed sound labour relations management through the following mechanisms:

- Clarification of roles and responsibilities of officials at supervisory levels as entailed in their job descriptions.
- Enhancement of the Local Labour Forum.
- Workshop and interaction with shop stewards for purposes of relationship building between the employer and the labour.
- Common understanding of the national and local labour agreements.
- Involvement of all the municipal employees in the policy formulation and review thereof.
- Meetings with various departments in order to instil culture of communication and understanding of corporate strategy.
- Effective communication within the Municipality in order to ensure that all staff are aware of decisions taken and changes implemented within the Municipality.
- Fostering of an environment of tolerance and appreciation for women and their contributory role.
- The review of forty eight (48) HR policies and development of eleven (11) HR policies.

## 5.2. ORGANISATIONAL STRUCTURE / ORGANOGRAM

Attached as part of the Institutional Plan.

## 5.3. WORKPLACE SKILLS PLAN

The implementation of strongly mentored internship programmes within the field of ICT, Civil Engineering, GIS and Registry Management has resulted in the creation of an employable pool of potential candidates who possess critical skills.

Recipients of municipal bursaries are bound to remain in the employ of the Municipality for a period of at least one year after the awarding of the bursary. This is through the commitment of the recipient to a binding contract prior to the awarding of a contract. Such commitment will be extended to recipients of all training interventions within the scarce and critical skills category.

## 5.4. EMPLOYMENT EQUITY PLAN

Attached

## 5.5. WORKPLACE SKILL PLAN

The Ugu district family of municipalities have resolved on the implementation of shared services in the following areas: Project Management, Internal Audit, Enterprise Resource Planning, Training, Waste Management, Legal Services, Emergency Services and a one stop Customer Care Centre. The idea is to share expertise and resources necessary for the efficient operation of functions within these areas.

Negotiations are in the preliminary stage with institutions of higher learning, with a view to developing curricula which are relevant to and suitable for junior levels of municipal employees in the fields of Supply Chain Management, Risk Management and Asset Management.

The Municipality is also currently engaging with the private sector in the District regarding possible apprenticeship opportunities for artisans in the areas of plumbing, electrical, mechanical and fitting & turning.

Through the mechanism of the HR Managers' forum, various "Declarations of Intent" to implement skills programmes offered by the LGSETA have been prioritised. The family of municipalities has identified skills programmes in areas reflecting the core business of each municipality.

## 5.6. RECRUITMENT AND RETENTION STRATEGY

The pool of employable persons created through the rigorous internship programme of the Municipality, provides accessible relevant skills within the District. Recruitment is also conducted through internal mechanisms, as well as through local, provincial and national papers. Recognising the scarce skills dilemma in the country, the Municipality also ensures that employment opportunities are accessible to the world through posting of same on the municipal website, and providing a facility for application to such positions electronically.

### RETENTION OF SCARCE AND RARE SKILLS

The definition of the scarce and rare skills, is the skills required to develop and sustain growth of the district's economy that are in demand but are in short supply. It is then incumbent on the DM, the sector departments, their partners operating within the district to embark on a programme that would assess what those skills are, assess their availability and therefore embark on programme/s to develop the same. This should not be seen as the once off process, but the ongoing one that each sphere of government operating within the district would have to take responsibility of.

The DM would have to ensure co-ordination of these processes with a view to ensure continuous assessment as demanded by the market, as well as assessment of the growth and training of the same. It is envisaged that a database of this will have to be developed and be accessible to both government, private and community users. For this to be sustainable, partnerships would be critical for sourcing of funding, alignment of the resources aimed at achieving this goal.

The beneficiaries of this programme are seen to be government departments, municipalities and private/business sectors, etc. This therefore is both an inward and outward looking programme.

This programme cannot be divorced from the foundation/university education programme and curriculum which would have a long term view of developing the same.

Resourcing this programme will also require strong partnerships. Resources for identification of these scarce skills, assessment, ongoing evaluation and strategies for retention of the same within the district and within that particular sector including attracting the same from beyond the border of the district municipality is most urgent to achieve this goal. Through the district partnerships capability of the market could be achieved through somehow standardised strategies for retention of the same. Retention

is seen to be highly dependent on the identification, assessment and development of the scarce skills.

### 5.7. ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM (OPMS)

In managing the roll-out of its work as per the objectives of local government, enshrined in Chapter 7 of the Constitution of the Republic of South Africa and the package of legislation that followed, the municipality needs to have a well organised mechanism to track its performance. Since 2003/2004, prior to issuing of the guidelines by organs of state and making it an administrative requirement, the Ugu District Municipality implemented its' Performance Management System (PMS).

The quality and scope of the PMS has evolved with the recent introduction of further details through the MFMA's Service Delivery and Budget Implementation Plan. While the two documents have different levels of emphasis in different issues, with SDBIP focusing on financial details and PMS on non-financial aspects of service delivery, they are both tools used by local government to enable Monitoring, Reporting and Evaluation of its work.

In the case of Ugu District Municipality, both plans are developed annually and for ease of reference the municipality opted to develop a template that seek to as far as possible put all the requirements of both plans together. This seems to make sense given the objectives and use of both plans. However, the downside is that it is not practical to have all the elements of both plans in one template as this may be compromising the attention to details. The municipality is however, revisiting the system and how it is packaged to enable attending to all the details. To this end, the municipality recognises that the system will need to be computer based to allow linking further details in each element as the manual system currently used will be too bulky and not user-friendly.

In addition to PMS and SDBIP, the Municipal Manager and heads of departments sign performance contracts, which ensures that a significant number of set targets are tied to performance bonus of these executives to ensure they are achieved. These performance contracts are assessed to inform the payment of bonuses at the end of the financial year and after the submission of the Annual Financial Statements. The municipality has always conducted the assessment by having the Municipal Manager, Manager: Internal Audit, Manager: Human Resources and Manager: Development Planning forming the appraisal technical team which then submits reports to EXCO for further engagement and final assessment of results. The PMS and SDBIP is managed by having quarterly review reports and meetings, as well as the preparation of an Annual Report.

### 5.8. ANNUAL REPORT

Ugu District Municipality prepares Annual Reports for all the financial years. The 2006/07 Annual report consisting of the Annual Performance Report has been prepared and adopted by Council.

## 5.9. IGR STRUCTURES

The Intergovernmental Relations Act requires the establishment of structures and mechanism aimed at ensuring a high level of input both internally in the municipality, and from local municipalities and other stakeholders in the IDP. In striving towards the IDP as a plan for the government sector as a whole there are various structures that have been established. All these structures have Terms of References that have been adopted by Council. They are:

### 5.9.1. DISTRICT INTERGOVERNMENTAL FORUM

This is a legislated forum in terms of the Intergovernmental Relations Framework Act (Act No 13 of 2005). The objectives of the forum are detailed in the said legislation. In essence it is about creating a platform for sector departments of both the provincial and national sphere to engage with the family of municipalities in the district to work together in structured manner towards the common goal of service delivery. In the case of Ugu, the forum was established in May 2005 and its meetings are now catered for by having them included in Council Roster of Meetings.

### 5.9.2. MUNICIPAL MANAGERS FORUM

This is a technical committee supporting the District IGR Forum. It is the overall working team that influence to a larger extent issues that come to the District IGR Forum as well as manage the processing of the resolutions taken. This forum meets in preparation for the District IGR Forum or sometimes simply to thrash out administrative issues that need joint decision-making by the family of municipalities and are operational in nature.

### 5.9.3. CFOs

The CFOs Forum has been established as one of the sub-committees of the Municipal Managers Forum. The intentions of the forum are two-fold, firstly to share best practices and information as Treasury Departments of the municipalities from Ugu, and secondly, to support and advise the Municipal Managers Forum on technical details relating to financial matters.

### 5.9.4. HR FORUM

This forum is also a subcommittee of the Municipal Managers Forum and operates in the same way as the CFOs Forum except that it deals with human resources related matters.

### 5.9.5. IDP TECHNICAL TEAM

As part of the 2008 / 2009 IDP Review Process, the Council resolved to establish a District IDP Technical Team Committee. This Committee, as well as the Representative Forum, should be reconstituted for each review of the IDP. This technical team creates a platform for all sections in the municipality to directly input and influence the IDP. This makes it a plan for the municipality rather than being driven by the development planning unit (in isolation of other internal stakeholders).





#### 5.9.6. DISTRICT PLANNERS FORUM

This Forum consists of all the planners from the seven municipalities of the district. It is aimed at facilitate vertical alignment between the district municipality and the local municipalities. It provides relevant technical, sector and financial information regarding each municipality and facilitates horizontal alignment with sector departments and public utilities.

#### 5.9.7. SPEAKERS FORUM

The involvement of the public in the decision-making of the municipality is fundamental. The Speakers' Forum has been established to ensure routing of resolutions taken at district intergovernmental structures to individual Council meetings for binding resolutions. The forum is also meant to work out efficient and effective public participation mechanisms to ensure this Constitutional mandate is honoured.

#### 5.9.8. DISASTER MANAGEMENT FORUM

Risk Management is a significant part of corporate governance best practice standards as per the King II Report on corporate governance. Risk management provides a reasonable assurance to government that the state objectives will be achieved within a tolerable degree of residual risk. The goal of mitigation is to reduce the future impacts of disastrous incidents including damage to property, disruption to local and regional economies, financial loss and the amount of public and private funds spent to assist with recovery. The Ugu family of municipalities Disaster Practitioners Forum exists for integration and co-ordination amongst municipalities as disasters are usually not limited within political boundaries.

#### LED CHAIRPERSONS FORUM

Ugu District Municipality has a forum called the LED Chairpersons forum that is one of the IGR structures within the district. This forum deliberates on the district wide economic development related matters.

#### LED FORUM

The LED Forum will also enhance our ability as the municipality to communicate regular our economic vision and solicit support from our social partners, who will be expected also to bring their technical input and financial resources probably as investors or partners in all economic opportunities. The establishment of the Local Economic Development Forum is critical in order to fulfil the public participation process of local stakeholders in the district municipality affairs as it is prescribed by the Municipal Structures Act.

## 5.9.9. WEAKNESSES, STRENGTHS AND CHALLENGES OF THE IGR STRUCTURES

Weaknesses	Strengths	Challenges
<ul style="list-style-type: none"> <li>-There is no proper flow of information from the different structures</li> <li>-No proper channels for tracking the implementation of the resolutions taken</li> <li>-Repetition of issues discussed in different structures</li> <li>-There is no dedicated staff member for IGR matters and it is viewed as a responsibility of the MM's Office</li> </ul>	<ul style="list-style-type: none"> <li>-These structures are well established</li> <li>-All have ToR's that have been adopted by council</li> <li>-Ugu District Municipality has signed the IGR protocol</li> <li>-Meetings of these different meetings are scheduled in the Annual Roster of meetings-Some structures receive support from the Secretariat section</li> <li>-High level of commitment from the members</li> <li>-Have been a platform for information sharing and addressing different challenges</li> <li>-Platform for crystallizing technical issues prior to be deliberated at Portfolio Committees</li> <li>-Good working relations between the district and the local municipalities</li> <li>-There is a proposed post for an IGR Officer</li> </ul>	<ul style="list-style-type: none"> <li>- Continuous improvement is required from sector departments</li> <li>- Inconsistency in the number of people that attend meetings</li> <li>- Lack of human capacity from the low capacity local municipalities to attend the meetings</li> <li>- Content alignment between the different spheres of government</li> </ul>

## 5.10. ADDRESSING AG COMMENTS

Management comments to the findings raised by the Auditor-General (AG) have been taken to the audit committee in February 2008 wherein the same committee resolved to recommend to EXCO that the comments were adequate and reasonable. For more details relating to this the minutes of the meeting held on 12 March 2008 (item 4) can be accessed.

Furthermore, the management action plans to those findings raised by the AG affecting the audit report have been included in the 2006/2007 annual report, pages 162-165. These are to be followed up by internal audit to assess the extent of action taken at year end.

## 5.11. AUDIT COMMITTEE

The Ugu District Municipality has established an Audit Committee as an independent advisory body in terms of Section 166(1) of the Local Government: Municipal Finance Management Act, 2003 (the MFMA). The Audit Committee established in terms of Section 166(1) of the MFMA also fulfils the functions of a performance management audit committee constituted in terms of Regulation 14(2) of the Local Government: Municipal Planning and Performance Management Regulations, 2001.

The membership, resources, responsibilities and authorities (composition, functions and operation) of the combined Committee to perform its role effectively, are stipulated in the terms of reference, which may be amended by the Council from time to time. The Committee is constituted in terms of the requirements of sound corporate governance practices and operates within that framework.

The Committee should not perform any management functions or assume any management responsibilities. It provides a forum for discussing business risk and control issues for developing relevant recommendations for consideration by the Council. The Committee should mainly make recommendations to the Council for its approval or final decision.

#### DISASTER MANAGEMENT

Disaster management within the district is co-ordinated in conjunction with the Local Municipalities, with participation of ward committees, Traditional Councils, Sector Departments, Private Sector, Emergency Medical Rescue services, PBOs' (Red Cross), Faith Based Organisations, Local Community Policing Forum (CPF's). They are capacitated in the area of fire fighting in order to better assist them in the event of the occurrence of an incident which may threaten the life and/ or property of members of their respective communities.

Hazards identification and Risk prioritization has been done in the district. The table below outlines the same:

HAZARD IDENTIFIED	AREA	PROJECT	RESPONSIBLE DEPT
Fire		Fire fighting equipment and training	DM, LMs and Province
Draught		Drought relief and water provision	DWAF and Ugu DM
Floods		Roads and bridges	DoT, DM, LMs
Hail storms		Wind breakers, settlement planning	DoH, DAEA, DWAF, DM and LMs, DLGTA
Anthrax		Early warning, education and awareness	DoH, DoA, Dm, LM
Tuberculosis		Awareness, prevention	DoH, DM
xenophobia		Awareness, prevention and early warning	DM, LMs,
Measles		Prevention, education	DoH
Cholera		Awareness, water testing,	DoH, DM
Human diseases		Awareness, vaccination, reporting, early warning	DoH, DM, LMs

Water pollution		water quality management, waste management, awareness, water services provision,	Ugu DM, DWAF, DAEA, DoH,
Land degradation		Prevention of deforestation, prevention of soil erosion, grasslands management, settlement planning,	DAEA,
Polio		Awareness, prevention,	DoH, DM, LM
Air Pollution		Awareness, education, prevention, enforcement	LMS,
Shingella Dysentry		Water quality management, education, spring protection projects,	DoH, DAEA,
Wind		Awareness and prevention.	DAEA, DMs' and LMs'
Tidal waves		Early warning, Awareness and Prevention.	DWAF, DAEA, DM & LM's
Rabies		Vaccination and early warning,	DoH, DM & LM's
Hazardous Materials		Waste management, prevention and Early warning signals,	DAEA, DM & LM's
Accidents by roads		Clear or proper signage and awareness of responsible driving,	DoT, SANRAL, DMs', LMs'
Dam Failures		Over flooding prevention, early warning signals,	DWAF, DMs', LMs',

In order to address the IDP objective on mitigation against disasters, Ugu District Municipality adopted a strategy on risk identification, reduction and measures, which resulted into prioritisation and implementation of the project on hazard identification and risk prioritisation. The Ugu family of Municipalities working with communities of Ugu have identified the above listed hazards and prioritised them accordingly. Emanating from these hazards, projects towards mitigating the same are being identified as in the above table.

Overview of Institutional Performance Areas, Department : Corporate Services

#### SWOT ANALYSIS

**Strengths** : motivated people, willingness to learn and perform, young, educated, mobile, flexible job disruption.

**Weaknesses** : young limited experience, immaturity, mobile, limited commitment to employer, threatened by pay package.

**Opportunities** : skilled employees, relatively trained, used to the environment.

**Threats** : mobile, none renewal of work load.

DEPARTMENT	CORPORATE SERVICES
SECTION	FUNCTION
Auxiliary Services	Meeting Venue Management, Co-ordinate Beverages of consumables, Crockery and glass-ware (ordering and dis-busiment) Men for preparation Food Inspection Access Control Office Automation Security
	Functional Registry (Messenger Services, Tender Openi , File Plan, Mail & Postage) Tele-Communication (Switch Board, Cellular, Telephones, VOIP, Tel- Management- Staff billing)
	Building (Provision of Office Accommodation, Signage of Buildings & Flags, Security, Air-Conditioning, Cleaning Services) Gardening for Landscaping Maintenance

## 5.12. STRATEGIC PILLARS

CUSTOMER PERSPECTIVE				
OBJECTIVE	MEASUREME NT	TARGET	INITIATIVES	ENABLERS
To provide officials of Cllrs with efficient telecommunication tools of high quality for effective communication. To provide efficient continuous access to infrastructure. To ensure that clients are well informed of the services available.	Reduction of customer dissatisfaction. Speedy response to requests. Increase technologies to meet increase need or coverage.	80% 95%/ week requiring external.	New Technology Email Cellphone bills Integrate Auxiliary and registry with IT help desk.	R 500 000 High technology or admin skill.
To provide support of services to of high quality. To improve admin infrastructure and architecture. To maintain IT system.	Speedy response to IT service requests. Reduction of customer	Internal 90% internal/d  External 40% p/w.		

To secure and monitor infrastructure.	dissatisfaction.			
FINANCIAL PERSPECTIVE				
To link or integrate with IT help desk service.	Reduction through the shared service.			
To reduce the monthly telephone.	Reduction of telephone costs.	10%	Capturing data.	Efficient telephone management.
Assist in optimum revenue management/ resources. Reduce costs by using more improved and efficient infrastructure.			Billing Axapta	

### 5.13. KEY ISSUES IDENTIFIED

The following are the key issues that are highlighted in this KPA:

- The need to streamline the recruitment procedure for improved turnaround time;
- The need to revisit termination procedures in terms of the relationship between Human Resources and salaries sections of Corporate Services and Treasury respectively;
- To review the disciplinary process and procedure taking into account the capacity of Ugu personnel in playing their role in this regard;
- The challenge of making the IDP a plan for government as a whole; and
- The utilisation of technology by the municipality.

It should be noted that since the appointment of the Labour Relations Co-ordinator and prioritisation of dealing with matters of discipline, there has been a notable decline in the reported transgressions. In some instances the managers and supervisors timeously seek support from the Department. Hence a number of them have been dealt with departmentally and thereby resolved.

### 5.14. ALIGNMENT OF PRIORITY ISSUES

For the purposes of getting work done there is information technology infrastructure that is being used by the municipality and these computers store lots of useful data for the municipality. This data needs to be kept available for use, yet at the same time protected from accidental or malicious modification or destruction. The objectives and strategies in this IDP are structured such that the municipality ensures that the requirements of the National Archives are being met.

### 5.15. IMPLEMENTATION PLAN

KPA : Institutional Transformation and Organisational Development.  
 NATIONAL KPI : Sound Labour/ management and HR relationships.  
 OBJECTIVE/S : Effective management of the employment relationship.  
 MUNICIPAL KPI : Decrease in the disciplinary matters reported.  
 Improved HR and labour relations.

PROGRAMME	Recruitment and Termination			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Creation of a culture of discipline and responsible employees to enhance the existing Code of Conduct	Consolidation of recruitment and termination of services policy and procedure manual, with adequate human resources.	Acting Manager: Human Resources.		
	Develop procedure manual for Investigation of matters of discipline.	Acting Manager: Human Resources.		
	Consolidate the Labour Relations Unit within HR Section.	Acting Manager: Human Resources.		
	Conduct Capacity building workshops on dealing with disciplinary.	Acting Manager: Human Resources.		
	Conduct induction and Orientation course.	Acting Manager: Human Resources.		
	Broaden the supervisors' training to other Departments.	Acting Manager: Human Resources.		
	Conduct whistle blowing on unlawful behaviour by staff.	Acting Manager: Human Resources.		

KPA : Institutional Transformation and Organisational Development.  
 NATIONAL KPI : Sound Labour/ management and HR relationships.  
 OBJECTIVE/S : To ensure fair and equitable employment of citizens which reflect the demographics of the district.  
 MUNICIPAL KPI : Improved labour relations or employee demographics that reflect the municipal demographics.



PROGRAMME	Employment Equity			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Employment Equity Strategy.	Develop Employment Equity Strategy	Acting Manager: Human Resources.		
	Consolidate the database of the people with disability, unemployed youth and women and priority population groups.	Acting Manager: Human Resources.		

KPA : Municipal Transformation and Institutional Development

NATIONAL KPI : Implementation of continuous management reform and improvement

OBJECTIVE/S : To restructure the institutional set up for the enhanced service delivery and development.

MUNICIPAL KPI : Legally sound practices by the municipality

PROGRAMME:	Organisational Restructuring			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Review organogram by restructuring existing departments and units and filling up critical posts to enhance both management and operations by focusing on development and planning, administration and water,	Creation of a Legal Services unit.	Senior Manager: Corporate Strategy and Shared Services		

KPA : Municipal Transformation and Institutional Development

NATIONAL KPI : Implementation of continuous management reform and improvement

OBJECTIVE/S : To effectively utilise resources at our disposal to ensure optimum benefit of the district family of municipalities and its constituents

MUNICIPAL KPI : Responsive and integrated service delivery.

PROGRAMME:	Building capacity for the district's family of municipalities.			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE

Establishment of shared services	Internal Audit; ERP; Development Planning; Project Management Unit; HR training and EAP; One stop customer care centre; Emergency services; Waste management; Environmental management and Legal services.	Senior Manager: Corporate Strategy and Shared Services		/
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KPA : Institutional Transformation and Organisational Development.

NATIONAL KPI : Empowering the employees through focused and continuous professional/ skills development.

OBJECTIVE/S : Sound human resources capacity amongst the Ugu District family of municipalities.

MUNICIPAL KPI : Adequately capacitated and efficiently performing staff complement.

PROGRAMME:	Co-operative Governance			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Embark on a district-wide approach towards human resources management within the sphere of local government.	Active participation in forum, with sharing of ideas, best practices and district wide approaches in HR practices.	Acting Manager: Human Resources.		
	Develop Skills Enhancement Strategy.	Acting Manager: Human Resources.		
Strengthen the supervisors people skills	Conduct treatment adherence campaigns	Acting Manager: Human Resources.		
	Conduct wellness promotion and support for lifestyle management.	Acting Manager: Human Resources.		
	Conduct EAP programmes marketing (TB, HIV & AIDS).	Acting Manager: Human Resources.		

KPA : Institutional Transformation and Organisational Development.

NATIONAL KPI : Increased and appropriate utilisation of technology.

OBJECTIVE/S : To ensure that the municipality has good management systems.

MUNICIPAL KPI : Improved IT support to various offices.

PROGRAMME:	Information Technology			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED	SOURCE

			COST	
Formulation of IT policies and procedures	Approval of the IT User Policy.	Manager: Secretariat, IT, GIS and Auxiliary Resources.		
	Finalisation of the IT Management Policy to inform the IT Strategy.	Manager: Secretariat, IT, GIS and Auxiliary Resources.		
	IT Security	Manager: Secretariat, IT, GIS and Auxiliary Resources.		
	Migration of Payday from UNIX to Windows environment.	Manager: Secretariat, IT, GIS and Auxiliary Resources.		
	Website Implementation Plan	Manager: Secretariat, IT, GIS and Auxiliary Resources.		
	Help desk system.	Manager: Secretariat, IT, GIS and Auxiliary Resources.		
	Oslo Beach Disaster Recovery	Manager: Secretariat, IT, GIS and Auxiliary Resources.		
	Axapta ERP	Manager: Secretariat, IT, GIS and Auxiliary Resources.		
	IT Shared Services to LMs	Manager: Secretariat, IT, GIS and Auxiliary Resources.		

KPA : Institutional Transformation and Organisational Development.  
 NATIONAL KPI : Increased and appropriate utilisation of technology.  
 OBJECTIVE/S : Improvement in telephone service system.  
 MUNICIPAL KPI : Improved Auxiliary Services.

PROGRAMME:	Auxiliary Services (Telephony)			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
On-going review of municipal operational systems	Upgrade telephone management system (TMS) Unison	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Buffers to be installed at branch offices for staff billing and linked	Manager: Secretariat, IT, GIS and Auxiliary		

	to TMS	Services.		
	Implement Voice over Internet Protocol (VOIP)	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Formulate cellular expenditure reduction plan	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Plan telephony infrastructure and technology for PABX's and interconnectivity	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Formal procedures and policy for the requesting of telephone instruments, fault reporting, pin codes assignment, billing of officials and switchboard control	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Implement and manage the leased cost routing service and ensure cost savings are received	Manager: Secretariat, IT, GIS and Auxiliary Services.		

KPA : Institutional Transformation and Organisational Development.  
 NATIONAL KPI : Increased and appropriate utilisation of technology.  
 OBJECTIVE/S : Improvement in telephone service system.  
 MUNICIPAL KPI : Improved Auxiliary Services.

PROGRAMME:	Auxiliary Services (Buildings and Maintenance)			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
On-going review of municipal operational systems	Maintenance of various building Water office Admin buildings Plants and pumpstations Standby quarters  Ensuring the condition of the buildings are in good working order and have all associated and necessary facilities	Manager: Secretariat, IT, GIS and Auxiliary Services.		

KPA : Institutional Transformation and Organisational Development.  
 NATIONAL KPI : Increased and appropriate utilisation of technology.  
 OBJECTIVE/S : Improvement in telephone service system.  
 MUNICIPAL KPI : Improved Auxiliary Services.

PROGRAMME:	Auxiliary Services (Catering)			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
On going review of municipal operational systems.	Reduction in costs associated with catering.	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Formulation of a policy that will control which meetings are catered for and what type of catering is done at the meetings	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Control of the beverage consumables for disbursement within admin offices	Manager: Secretariat, IT, GIS and Auxiliary Services.		

KPA : Institutional Transformation and Organisational Development.  
 NATIONAL KPI : Increased and appropriate utilisation of technology.  
 OBJECTIVE/S : Improvement in telephone service system.  
 MUNICIPAL KPI : Improved Auxiliary Services.

PROGRAMME:	Auxiliary Services (Office Automation)			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
On-going review of municipal operational systems	Management of equipment and introduction of multi function equipment	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Removal of obsolete equipment and expired contractual equipment	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Reduce costs related to wastage and	Manager: Secretariat, IT, GIS and		

	obsolete contracts	Auxiliary Services.		
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KPA : Institutional Transformation and Organisational Development.  
 NATIONAL KPI : Increased and appropriate utilisation of technology.  
 OBJECTIVE/S : Improvement in telephone service system.  
 MUNICIPAL KPI : Improved Auxiliary Services.

PROGRAMME:	Auxiliary Services (Cleaning Services)			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
On-going review of municipal operational systems	Management and co-ordination of cleaning services personnel	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Control and monitoring of the contract	Manager: Secretariat, IT, GIS and Auxiliary Services.		

KPA : Institutional Transformation and Organisational Development.  
 NATIONAL KPI : Increased and appropriate utilisation of technology.  
 OBJECTIVE/S : Improvement in telephone service system.  
 MUNICIPAL KPI : Improved Auxiliary Services.

PROGRAMME:	Auxiliary Services (Security Services)			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
On-going review of municipal operational systems	Management and co-ordination of guards	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Control and monitoring of the contract	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Formulation of a security strategy for the Municipality	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Formulation of a security policy for the Municipality	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Implementation of the security strategy and policy	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Introduction of electronic security	Manager: Secretariat, IT, GIS and Auxiliary		

	technology (via tender spec) to control and manage security	Services.		
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KPA : Institutional Transformation and Organisational Development.  
 NATIONAL KPI : Increased and appropriate utilisation of technology.  
 OBJECTIVE/S : Improvement in telephone service system.  
 MUNICIPAL KPI : Improved Auxiliary Services.

PROGRAMME:	Auxiliary Services (Hygiene Services)			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
On-going review of municipal operational systems	Develop a baseline standard for hygiene at offices	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Control and monitoring of the contract	Manager: Secretariat, IT, GIS and Auxiliary Services.		

KPA : Institutional Transformation and Organisational Development.  
 NATIONAL KPI : Increased and appropriate utilisation of technology.  
 OBJECTIVE/S : Improvement in telephone service system.  
 MUNICIPAL KPI : Improved Auxiliary Services.

PROGRAMME:	Auxiliary Services (Corporate Branding)			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
On-going review of municipal operational systems	Introduce a corporate identity and uniformity at various offices: Mission & vision plates, Flags, Signage, Furniture type, Carpets and Blinds	Manager: Secretariat, IT, GIS and Auxiliary Services.		

KPA : Institutional Transformation and Organisational Development.  
 NATIONAL KPI : Increased and appropriate utilisation of technology.  
 OBJECTIVE/S : Compliance with KZN Archives  
 Improved support service to departments  
 Controlled environment  
 MUNICIPAL KPI : Improved Registry.



PROGRAMME:	Registry			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
On going review of municipal operational systems.	Compliance with KZN Archives legislation (manner of filing, environment and safety standards)	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Formulation of a procedure manual	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Updating the Approved Filing Plan according to requirements	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Introduction of electronic and technological enhancements and tools to ensure better support service and control	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Equipment and environment upgrades	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Implementation of Fire risk reduction project	Manager: Secretariat, IT, GIS and Auxiliary Services.		

KPA Institutional Transformation and Organisational Development.  
 NATIONAL KPI : Increased and appropriate utilisation of technology.  
 OBJECTIVE/S : Compliance with KZN Archives  
 Improved support service to departments  
 Controlled environment  
 MUNICIPAL KPI : Improved Registry.

PROGRAMME:	Auxiliary Services (Office Automation)			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
On going review of municipal operational systems.	Management of equipment and introduction of multi function equipment	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Removal of obsolete equipment and expired contractual equipment	Manager: Secretariat, IT, GIS and Auxiliary Services.		
	Reduce costs related to wastage and obsolete contracts	Manager: Secretariat, IT, GIS and Auxiliary Services.		

KPA : Institutional Transformation and Organisational Development.

NATIONAL KPI : Implementation of continuous management reform and improvement

OBJECTIVE/S : To mitigate against disasters

MUNICIPAL KPI : Demonstratable state of readiness and business continuity plan

PROGRAMME:	Disaster Management			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Risk identification, reduction and mitigation measures	Development of a disaster management plan	Manager: Disaster Management	R700 000	DLGTA (Disaster Management grant)

KPA : Institutional Transformation and Organisational Development.

NATIONAL KPI : Integrated Institutional Capacity for Disaster Risk Management

OBJECTIVE/S : To establish institutional capacity to enable the effective implementation of disaster risk management policy and legislation

MUNICIPAL KPI : Demonstrate state of readiness and business continuity plan

PROGRAMME:	Disaster Management			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Policy development & adoption.	Direction & implementation of policy	Manager: Disaster Management		DLGTA (grant funding)
	Stakeholders participation in planning and operations			
	Technical advice in planning and operations			
	Arrangements for Co-operation of role players			

KPA : Institutional Transformation and Organisational Development.

NATIONAL KPI : Disaster Risk Assessment

OBJECTIVE/S : To assess and monitor disaster risk that will inform disaster risk management planning and disaster risk reduction

MUNICIPAL KPI : Demonstrate state of readiness and business continuity plan

PROGRAMME:	Disaster Management			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Conduct assessment to inform DM planning	Development of a disaster risk management plan	Manager: Disaster Management		DLGTA (grant funding)
	Generate an indicative risk profile			
	Monitor, update and disseminate information.			
	Conduct quality control			

KPA : Institutional Transformation and Organisational Development.

NATIONAL KPI : Disaster Risk Reduction.

OBJECTIVE/S : Ensure all disaster risk management stakeholders develop and implement integrated disaster risk management plans and disaster risk reduction programmes.

MUNICIPAL KPI : Demonstrate state of readiness and business continuity plan



PROGRAMME:	Disaster Management				
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE	
Ensure all stakeholders compile integrated & relevant disaster risk management plans	Development of an integrated Disaster risk management plan	Manager: Disaster Management	R700 000	DLGTA (grant funding)	
	Determine priority risks and priority areas, communities and households.				
	Scope and develop disaster risk reduction plans, projects and programmes				
	Include disaster risk reduction efforts into strategic integrated structures and processes.				
	Implement and monitor disaster risk reduction programmes and initiatives.				

KPA : Institutional Transformation and Organisational Development.  
 NATIONAL KPI : Response and Recovery.  
 OBJECTIVE/S : Ensure effective and appropriate disaster response and recovery.  
 MUNICIPAL KPI : Demonstrate state of readiness and business continuity plan.

PROGRAMME:	Disaster Management				
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE	
Implement a uniform approach to the dissemination of early warnings.	Development of a Central Communication plan	Manager: Disaster Management		DLGTA (grant funding)	
	Reducing the potential				

	impact in respect of personal injury, health, loss of life, property, infrastructure, environments & Government services.			
	Implementing immediate integrated & appropriate response & relief measures when significant events or disasters occur or are threatening to occur.			
	Implementing all rehabilitation and reconstruction strategies following a disaster.			

KPA : Institutional Transformation and Organisational Development.

NATIONAL KPI : Information Management and Communication.

OBJECTIVE/S : Guide the development of a disaster risk management information systems & establish communication links with all disaster risk management role players.

MUNICIPAL KPI : Demonstrate state of readiness and business continuity plan

PROGRAMME:	Disaster Management			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Document Management System Policy, Standards & Guidelines	Intergrated DM database & Information Management	Manager: Disaster Management	R650 000	DLGTA (grant funding)
	Document management systems			

KPA : Institutional Transformation and Organisational Development.

NATIONAL KPI : Education, Training, Public Awareness and Research.

OBJECTIVE/S : Promote a culture of risk avoidance among stakeholders by capacitating all role players through education, training and public awareness programmes informed by scientific research.

MUNICIPAL KPI : Demonstrate state of readiness and business continuity plan

PROGRAMME:	Disaster Management			
STRATEGIES	PROJECTS	RESPONSIBLE	ESTIMATE	SOURCE

		PERSON	D COST	
Creation of awareness mechanism & development of research agenda	Conduct local research needs & resources analysis	Manager: Disaster Management		DLGTA (grant funding)
	Develop & implement training programme			
	Ongoing training interventions, i.e. Short courses, workshops, seminars & conferences should be available			
	Keep record of trained volunteers (database)			

KPA : Institutional Transformation and Organisational Development.

NATIONAL KPI : Funding arrangements for Disaster Risk Management.

OBJECTIVE/S : Establish mechanism for the funding of disaster risk management in the District

MUNICIPAL KPI : Demonstrate state of readiness and business continuity plan

PROGRAMME:	Disaster Management			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Disaster Risk Management ongoing operations	Increase in the component of the equitable share	Manager: Disaster Management		DLGTA (grant funding)
	Establish funding for disaster risk assessment			
Response, Recovery & Rehabilitation	Access to central contingency fund			
	Obtain funding from Conditional Infrastructure grant (MIG)			
Training Capacity Building programmes	Own budgets & reimbursement through SETA's			
	Obtain funding for Capacity building & training			
	Determine funding arrangements for establishment of Volunteer Core Unit			

## 6. CHAPTER 6 - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

### 6.1. SITUATIONAL ANALYSIS

Managing municipal finances involves both a strategic and operational component. Strategically, the finances must be managed to accommodate fluctuations in the economy and the resulting changes in costs and revenue. Operationally, the municipality must put in place clear financial goals, policies, and tools to implement its strategic plan. It must be noted that not all municipalities are the same and this should be kept in mind when assessing the financial health of, and the setting of benchmarks for a municipality.

Ugu District Municipality can be categorised as a developing or growing municipality. Such Municipalities require significant additional resources and funding to conduct the growth that is expected of them. In contrast, already developed or maintenance municipalities are mainly concerned with the need to maintain existing infrastructure. With the demands for growth, come risks that need to be managed. Wherever possible, the Municipality will set benchmarks appropriate for a developing or growing municipality and strive to achieve these benchmarks within the medium term.

It is essential that the Municipality has access to adequate sources of revenue, from both its own operations and intergovernmental transfers, to enable it to carry out its functions. It is furthermore necessary that there is a reasonable degree of certainty with regard to source, amount and timing of revenue. The Division of Revenue Act has always laid out the level of funding from National Government that will be received for the three financial years with the first financial year being concrete and other years estimates.

It is important to track the respective sources of revenue received by the Municipality as they can be quite different and can vary substantially depending upon the phase that the municipality is in. Knowledge of the sources of funds will illustrate the Municipality's position more accurately, its ability to secure loans relative to its income streams and its borrowing capacity.

The priority from the financial perspective is the viability and sustainability of the Municipality. The financial plan and related strategies will need to address a number of key areas in order to achieve this goal. Hence the following are areas that have been identified and are detailed below.



### 6.1.1. CASH / LIQUIDITY POSITION

Cash and cash management is vital for the short and long term survival and good management of any organisation. The appropriate benchmarks which can assist in assessing the financial health of the Municipality are the current ratio and debtor's collection:

- The current ratio expresses the current assets as a proportion to current liabilities. "Current" refers to those assets which could be converted into cash within 12 months and those liabilities which will be settled within 12 months. A current ratio in excess of 2:1 is considered to be healthy.
- Debtors' collection measurements have a great impact on the liquidity of the Municipality. Currently the Municipality takes on average 100 days to recover its debts, while the annual debt collection rate is 95%. The Municipality will attempt to reduce the days for debts outstanding to less than 60 days in the medium term.

### 6.1.2. SUSTAINABILITY

The Municipality needs to ensure that its budget is balanced (income covers expenditure). As there are limits on revenue, coupled with the increased reliance on government grants to fund operational needs, it is necessary to ensure that services are provided at levels that are affordable, and that the full costs of service delivery are recovered. However, to ensure that households which are too poor to pay for even a proportion of service costs, at least have access to basic services, there is a need for subsidisation of these households.

### 6.1.3. EFFECTIVE AND EFFICIENT USE OF RESOURCES

In an environment of limited resources, it is essential that the Municipality makes maximum use of the resources at its disposal by using them in an effective, efficient and economical manner. Efficiency in operations and investment will increase poor people's access to basic services.

### 6.1.4. ACCOUNTABILITY, TRANSPARENCY AND GOOD GOVERNANCE

The Municipality is accountable to the people who provide the resources, for what they do with the resources. The budgeting process and other financial decisions must therefore be open to public scrutiny and participation. In addition, the accounting and financial reporting procedures must minimise opportunities for corruption. It is also essential that accurate financial information is produced within acceptable timeframes.

#### 6.1.5. EQUITY AND REDISTRIBUTION

The Municipality must treat people fairly and justly when it comes to the provision of services. In the same way, the Municipality should be treated equitably by national and provincial government when it comes to inter-governmental transfers. The 'equitable share' from national government will be used primarily for targeted subsidies to poorer households. In addition, the Municipality reserves the right to cross-subsidize between high and low income consumers within a specific service or between services.

#### 6.1.6. DEVELOPMENT AND INVESTMENT

In order to deal effectively with backlogs in services there is a need for the Municipality to maximise its investment in municipal infrastructure. In restructuring the financial systems of the Municipality, the underlying policies should encourage the maximum degree of private sector investment.

#### 6.1.7. MACRO-ECONOMIC INVESTMENT

As the Municipality plays a significant role in the area, it is essential that it operates efficiently within the national macro-economic framework. The Municipality's financial and developmental activities should therefore support national fiscal policy.

#### 6.1.8. BORROWING

The strong capital market in South Africa (banks and other lending institutions like DBSA, INCA, etc.) provides an additional instrument to access financial resources. However, it is clear that the Municipality cannot borrow to balance its budget and pay for overspending.

Safeguards need to be put in place to ensure that the Municipality borrows in a responsible way. In order to have access to this market, the Municipality will need to have accurate and appropriate financial accounting policies and procedures and effective reporting systems.

The manner in which the Municipality manages debt or takes on new debt to finance activities will have a significant impact on the solvency and long-term viability of the Council.

Over the past financial year the municipality's achievements were amongst others, meeting all the National Treasury reporting requirements, full compliance with the Municipal Financial Management Act, no audit query from National Treasury, as well as spent within the limits of the approved budget. There are still numerous challenges that the municipality faces as it is continuously trying to improve the level of services. These include amongst others absenteeism, abuse of overtime which results in the municipality exceeding its overtime budget, vehicle abuse despite the fact that there was now a Fleet Officer responsible for this function.

The challenge for financial sustainability amid increasing alignment with the ecological, economic and social parameters of the IDP, means that budget adjustments need to be made on a regular basis.

## 6.2. KEY ISSUES IDENTIFIED

Sound financial viability and management in accordance with legislation, programmes and principles is a vehicle that enables sustainability of the Municipality. The highlighted challenges are in respect to the Revenue Adequacy and certainty however, other challenges have been identified and are in-line with objectives and strategies and projects:

- Existing infrastructure has not been maintained at the desired level.
- As a result of affordability problems extending municipal services has resulted in an increase in debtors.
- New capital expenditure has not been aligned with relating requirements.
- Operational budget have not been focused to support the development priorities.
- The strategic split of the Capital Budget between social and economic expenditure has far reaching implications on future operating budget and sustainability.
- Customer query resolution, in keeping with the Batho Pele principles, has placed pressure on the District's ability to render uniform services at all its customer care outlets.
- Improve our debt collection.
- Clear measurable budget and implementation plans aligned to the SDBIP.
- Exceeding overtime budget.
- Statistics is done manually which poses the risk of not providing a true reflection.

## 6.3. ALIGNMENT OF PRIORITY ISSUES

Alignment of government policies and plans is crucial in strategic planning. Therefore the relevant binding and non-binding national and provincial legislations including policies, programmes and strategies need to be considered in the municipal development planning process and interventions.

The approach is informed by the obligation that the country has towards achieving the Millennium Development Goals to develop further an open, rule-based, predictable, non-discriminatory trading and financial system

The approach strive at stimulating economic growth as per the aim of the Accelerated and Shares Growth-SA (ASGISA) in order to contribute towards leveraging the increased levels of public expenditure, especially investment expenditure, to promote small businesses and Broad-Based Black Economic Empowerment.

## 6.4. IMPLEMENTATION PLAN

KPA : Financial viability and financial management  
 NATIONAL KPI : Development of annual and medium term outlook on revenue and expenditure plans and targets  
 MUNICIPAL KPI : Collection for all possible revenue

## PROGRAMME : Revenue collection

OBJECTIVE/S	To ensure that consumers pay for services rendered.			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Explore sources of revenue and grow revenue stream	Develop and implement a suitable surcharge as an additional revenue source	CFO and GM Water Services		Internal Funding
	Develop revenue enhancement strategy	CFO and GM Water Services		Internal Funding
Align the current policy with new applicable regulations and other legislative requirements	Development of annual and medium term outlook on revenue and expenditure plans and targets	CFO and GM Water Services		Internal Funding
Develop, monitor and evaluate debt management strategy	Develop an integrated "early warning system" for debtors	CFO and GM Water Services		Internal Funding
	Develop and implement debt reduction plan	CFO and GM Water Services		Internal Funding
	The development and implementation of a credit control and debt collection policy	CFO and GM Water Services		Internal Funding
	Consolidation of all debts owing into one account.	CFO and GM Water Services		Internal Funding
Ensure effective and efficient customer services/relations procedure	The development and implementation of a customer incentive policy	CFO and GM Water Services		Internal Funding
Ensure access to free basic services, billing system and municipal services	The development and implementation of an indigent support policy	CFO and GM Water Services		National Treasury (Equitable Share)
	The development and implementation of a uniform tariff policy	CFO and GM Water Services		Internal Funding

KPA : Financial viability and financial management  
 NATIONAL KPI : Sound financial management systems  
 MUNICIPAL KPI : Proper allocation of funding and compliance with legislation  
 PROGRAMME: World class financial management standards and practice

OBJECTIVE/S	To ensure proper allocation of financial resources and full compliance with legislation and financial reforms			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Develop sound financial management systems	Establish effective financial accounting system	CFO		DPLG (MSIG)
	Prepare financial plan	CFO/ Manager Budget		Internal Funding
	Prepare three year budget plan	CFO/ Manager Budget		Internal Funding
	Monitor accurate expenditure of allocated funds	CFO		Internal Funding
Strengthen MFMA implementation	Continuously update the municipality's financial policies and procedures	CFO		National Treasury (MFMA grant)
	Timeous preparations of Annual Financial Statements	CFO		Internal Funding
	Upgrading and restructuring of the budget office	CFO		National Treasury (MFMA grant)
	Review Supply Chain Management Policy and align it to PPPFA and BBBEE Act objectives	CFO		Internal Funding

KPA : Financial viability and financial management  
 NATIONAL KPI : Development of annual and medium term outlook on revenue and expenditure plans and targets  
 MUNICIPAL KPI : Ensure municipal financial viability  
 PROGRAMME : Capital Financial management programme

OBJECTIVE/S	Improving the Capital Investment and The Financial Plans to ensure municipal financial viability			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Improve efficiency in grant transfers	Develop and implement a strategy to fast track accessing loans	CFO		Internal Funding
	Establish effective accounting system	CFO		Internal Funding

KPA : Financial viability and financial management  
 NATIONAL KPI : Timely and accurate accounting of public resources  
 MUNICIPAL KPI : Protection of viable municipal assets  
 PROGRAMME : Asset Management

OBJECTIVE/S	To enhance life and benefit of the municipal assets;			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Ensure sound management of municipal assets for optimum benefit and protection from disasters	Develop a fixed assets management policy	Manager Equity and Accounts		Internal Funding
	The development and implementation of a disaster recovery plan/business continuity plan	Manager Equity and Accounts		Internal Funding
	Periodic counts to verify physical existence of assets recorded in the Asset Register	Manager Equity and Accounts		Internal Funding

## 7. CHAPTER 7 - GOOD GOVERNANCE AND COMMUNITY PARTICIPATION

### 7.1. IDP FRAMEWORK PLAN AND PROCESS PLAN

The 2008/09 IDP Review process and Process Plans of the District and its Local Municipalities were prepared in line with the IDP Framework Plan as agreed to by all the Municipalities in the District. In 2007 the Ugu District Municipality, in pursuit of the relevant legislative directives, adopted its 2008/09 IDP Review Framework to guide its process plans and consequently, the IDP process plans of both the district itself and the local municipalities within the area of its jurisdiction. This was done in consultation with the local municipalities through IDP Managers Forums, IDP Representative Forums, Steering Committees, EXCO and Councils of the respective municipalities.

The IDP Framework Plan provides the linkage for binding relationships to be established between the district and its family of local municipalities. In so doing, proper consultation, co-ordination and alignment of the review process of the District Municipality and its various local municipalities has been maintained.

### 7.2. COMMUNITY PARTICIPATION STRATEGY

Since its establishment in 2001 the Ugu District Municipality has committed itself to ensuring that communities in its area of jurisdiction yield the intended benefits of this legislative and policy framework, also as a sphere of government ensuring implementation of policy and legislation. To this end, the District has been employing a range of mechanisms to communicate and involve its residents, with varying levels of success. A Community Participation Strategy has been developed which is aimed at consolidating and formalising these initiatives to ensure that there is an effective, well co-ordinated and ongoing interaction between the municipality and the communities it serves on municipal affairs. The municipality's intention is to strengthen community participation processes as its contribution to enhancing democracy and contributing to implementation of relevant policy and legislation highlighted above, thus making its objectives a reality. However, there is a need to implement interventions to improve the level of participation by the community, especially the urban based members of the public. Although this strategy is in existence, its adequacy in terms of communication, could not be ascertained.

Within Ugu district, one way of implementing the community participation strategy and involving communities within the IDP budget process is through the IDP / Budget road shows. The budget for these road shows varies from each and every local municipality depending on the facilities and equipment that are required.

### 7.3. WARD COMMITTEE CONTRIBUTION

The district includes six local municipalities with 81 wards and all ward committees have been established. However, the key challenges that hinder effectiveness of ward committees include administration / logistics support and the vastness and inaccessibility

of rural wards. Some of the areas are serviced by the Community Development Workers who have a dual responsibility to report to Department of Local Government and Traditional Affairs and Local Municipalities, but they are accountable to the former.

#### 7.4. ROLE OF TRADITIONAL LEADERS AND COMMUNITIES IN THE IDP

The internal and external role players have roles and responsibilities in terms of the IDP development process. The IDP Representative Forum consists of representatives from all local municipalities, the house of traditional leaders, civil society and service providers / sector departments. This forum provides public and private sector input into the IDP. Ugu District Municipality has ensured the continual participation of all the role players to ensure maximum input into the IDP during the process.

#### 7.5. INTERNAL AUDIT COMMITTEE

The internal audit committee has been discussed in previous sections of this report.

#### 7.6. SHARED SERVICES

The establishment of shared services considers the possibility and feasibility of a number of municipalities pooling resources in order to deliver services in the most cost effective manner. It is about the convergence and streamlining of the municipality's functions to ensure that they deliver the services required to them as effectively and efficiently as possible.

A key advantage of this convergence is that it enables the appreciation of economies of scale within the function and can enable multi function working where there is the potential to create synergies. Shared Services are more than just centralization or consolidation of similar activities from different municipalities in one municipality. Shared Services mean running these service activities like a business and delivering services to internal customers at a cost, quality and timelines that is competitive with alternatives.

Benefits: The Shared Services will achieve the following:

- Shared know-how: The benefits associated with the sharing of knowledge and practice across the Municipalities. This involves sharing best practice in service delivery;
- Reducing costs and avoiding duplication of effort: The benefits from economies of scale and elimination of duplicated effort will streamline and simplify delivery of services to reduce costs;
- Improving quality of service to customers: The benefits from more efficient processes can deliver greater consistency, timely and effective service delivery to customers and help reduce competition and rivalry between the Ugu DM Family of Municipalities;
- Responding to and facilitating organizational change: The benefits of greater structural flexibility, improving organisational learning are seen as an important lever for re-positioning the contribution of Shared Services as a business-driven function focused on facilitating and supporting organisational change.



Progress on the implementation of shared services depends entirely on the Municipal Managers Forum meetings which convene on an ad hoc basis. Various issues relating to shared services still need to be resolved.

## 7.7. RISK MANAGEMENT

Risk is an inherent part of all activities undertaken by the municipality. Risk management provides a reasonable assurance to government that the municipal organizational objectives will be achieved within a tolerable level of residual risks.

Legislative mandate: Risk management derive its mandate from the following legislation and corporate governance guidelines.

- Section 62(1)(c)(i) of the Municipal Finance Management Act 56 of 2003 (MFMA), which prescribes that the accounting officer must ensure that the institution has and maintains effective, efficient and transparent systems of financial and risk management and internal control.
- Section 3.2.1 of the Treasury Regulations which further prescribes that "the accounting officer must ensure that a risk assessment is conducted regularly to identify emerging risks of the institution. A risk management strategy, which must include a fraud prevention plan, must be used to direct internal audit effort and priority, and to determine the skills required of managers and staff to improve controls and to manage these risks. The strategy must be clearly communicated to all officials to ensure that the risk management strategy is incorporated into the language and culture of the institution."
- The King Report on Corporate Governance for South Africa 2002, which applies to "public sector enterprises and agencies falling under the Public Finance Management Act and the Municipal Finance Management Act ..."

### Risk Management Priority Issues

- Mainstreaming of risk management in the organization: There is an urgent need to mainstream risk management in the organization.
- Integration of all risks for the organization: There is a need to integrate internal and external risks (OHS and Disaster risks).

Alignment of priority issues: In order to align priority issues, there should be a better understanding of risk management within the organization. Mainstreaming of risk management will help to align these priority issues. Performance agreements for Section 57 Managers should also include Risk Management.

### 7.8. BATHO PELE

Batho Pele, a seSotho word meaning “people first”, is a notion which was adopted in 1994 and became a policy in 1997. The Batho Pele concept has as a main objective of addressing service delivery improvement by introducing principles which guide the transformation of service delivery to be people centric.

Legislative imperatives: Batho Pele has its roots in a series of policies and legislative frameworks which have been categorised into three themes namely; those that are overarching or transversal, those that deal with access to information and those that deal with transformation of Service Delivery. These include:

- The Constitution of the Republic of South Africa of 1996(as amended);
- The White Paper on the Transformation of the Public Service of 1995(WTPPS);
- The White Paper on the Transformation of Service Delivery of 1997, also known as Batho Pele White Paper; and
- Public Service Regulations of 1999 and 2001.

The legislative framework calls for setting up of service standards, defining outputs and targets, and benchmarking performance indicators against international standards. Similarly, it also calls for the introduction of monitoring and evaluation mechanism and structures to measure progress on a continuous basis.

Batho Pele Principles: Nationally there are eight principles that govern the transformation of Service Delivery according to Batho Pele White Paper. Kwazulu Natal added three more Principles and adheres to eleven principles in the Citizens Charter, viz.

- Consultation
- Service Standards
- Access
- Courtesy
- Openness and Transparency
- Information
- Redress
- Value for Money
- Encouraging innovation and rewarding excellence
- Leadership and strategic direction

- Service Delivery impact

Batho Pele Belief Set: The Belief Set which says: "We Belong, We care, We serve" is a value system which clearly captures the revitalized Batho Pele culture. The Belief Set is intended to endorse the eleven Batho Pele Principles, and not to replace them, each phrase of the Belief Set envelop a number of principles in it.

Service Delivery Improvement Plans (SDIP): the Public Service Regulations Act of 2001 states the following with regards to SDIP:

- Part III.C.1 – An executing authority shall establish and sustain a service delivery improvement programme for his or her department;;, and
- The White Paper on Transformation of Service Delivery (Batho Pele), emphasizes in paragraph 7.1.2 that administrative Heads of Municipalities are responsible for Service Delivery Improvement Programmes and that this responsibility should be clearly assigned to a person or group of people, accountable directly to the administrative head of department.

• Service Standards: Municipalities are required to publish a Statement of Service Charter. Service standards must be set at a demanding but realistic, measurable level to be reached by adopting more efficient and customer – focused working practices.

Service Standards are required to be operational for one year and be subject to annual performance review. These should be progressively raised and ideally, may not be reduced, except to accommodate changed priorities based on changing customer needs.

In setting service standards, it is fundamental that service delivery also be reviewed from the customer's viewpoint and judged from criteria that the customer might use.

Service standards should conform to the following measurable criteria:

- Quantity
- Quality
- Time/Timeliness
- Value for Money
- Access
- Equity

In order to ensure the sustainability of the programme, the implementation of principles must be internalized and institutionalized. Batho Pele principles must first address the issues internally, in order to ensure constant service delivery improvement externally. All service delivery initiatives must adhere to the eleven Batho Pele principles. During the implementation of Batho Pele Flagship projects, Know Your Rights Campaigns, the first phase was addressing the Service Rights issues internally and some of the issues highlighted were:

- Lack of effective communication channels, consultation & information
- A trend of lack of courtesy and consideration towards lower level employees

- Service standards constantly not met, and poor Redress by management
- Inconsistent access to internal services by lower level employees

The means to implement Batho Pele is to analyse all these barriers according to the principles and align priorities accordingly. Development of the SDIP seeks to address the gap between the current and desired service standards using Batho Pele Principles.

Batho Pele Flagship Projects: This is where services may be promoted and the Municipality educates citizens about their rights. There is a need to think of such events and utilize them.

#### Service Delivery Watch

- Unannounced site visits projects brief
- Municipal Service Week
- Know Your Service Rights Campaign
- Change Management Engagement Programme
- Project Khaedu
- Batho Pele Learning Network Coordinator Forums

### 7.9. HIV AND AIDS, SENIOR CITIZENS, WOMEN AND CHILDREN

Health and welfare issues specifically impacts on vulnerable groups. Effective coordination and collaboration is still in progress and the lack of baseline information on vulnerable groups results in poor planning. Other issues impacting on the ability of stakeholders to address issues relating to specifically HIV / AIDS include:

- Informal partnerships with no clear terms of reference with implementing government departments;
- Human resource limitations;
- The complexity of each programme, especially HIV & AIDS impacts on Senior Citizens, Women and Children;
- The overwhelming impacts tend to compromise and affect the quality of care / service required for each programme; and
- a lack of focus, dedicated programmes and coordinators in other local municipalities resulting in poor coordination.

The HIV and AIDS Strategic Planning Workshop, championed by the Special Programmes Section, was held on 25 July 2007. There were representatives from provincial government departments (particularly officials responsible for HIV / AIDS in the Office of the Premier), local municipalities, NGOs, civil society organisations and support organisations for people living with HIV and AIDS. The objectives of the workshop included:

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- To guide the Ugu District family of municipalities on developing an integrated response to HIV and AIDS;
- To create and strengthen partnerships amongst stakeholders for an appropriate district response to HIV and AIDS;
- To mobilize resources for strategic partnership activities;

- To receive reports of all sectors on their responses to HIV and AIDS for the purposes of monitoring and evaluation of the effectiveness and impact of all sector efforts;
- To review the implementation of programmes and strategies of the multi-sectoral response to HIV and AIDS developed within the set frameworks, internationally, nationally and provincially; and
- To support programmes and strategies of the Local AIDS                      ls.

The focus areas at the workshop were: prevention, education and awareness; treatment, care and support of the infected and affected; care of the vulnerable children and special groups; research, monitoring and valuation; policy, administration and human rights issues; and, institutional arrangements for implementation. The workshop adopted some crucial resolutions and action plan which are contained in a separate report available in the municipality on request. This report was given impetus with the official launch of the Ugu District AIDS Council (UDAC), by the Honourable Premier of KwaZulu Natal, Dr SJ Ndebele at Umzinto Sports ground on 01 December 2007.

Strategic workshop on the programme of the rights of the child was held at St Michaels Sands Hotel on 6-7 February 2008. The workshop had 32 participants, including key persons from provincial government departments, municipalities, NGOs, civil society organizations and children. This workshop was aimed at the following:

- To establish the Rights of the Child Coordinating Forum.
- To identify and discuss gaps in service delivery focusing                      dren's issues.
- To initiate the development of an integrated implementation                      lan.
- To develop a plan of action to address the rights of children in the District.

## 7.10. YOUTH DEVELOPMENT

### 7.10.1. UGU DISTRICT MUNICIPALITY YOUTH DEVELOPMENT POLICY FRAMEWORK

It is influenced by the International Institutional & Policy Environment, National Institutional & Policy Environment and Provincial Institutional & Policy Environment.

### 7.10.2. UGU DISTRICT YOUTH UNIT/UMSOBOMVU YOUTH ADVISORY CENTRE PROJECT INITIATIVE

The Youth Advisory Centre Point Project is aimed at providing young people with relevant and up to date information that could help them taking correct decisions concerning the livelihoods. The proposed centres would be used to help the youth to access information in this regard.

The implementation of the Ugu District Municipality/Umsobomvu Youth Fund and Youth Advisory Centre's Project would enable young people to access the services of Umsobomvu Youth Fund at their local level. Regarding financial implications, Umsobomvu Youth Fund would pay salaries and training costs for Youth Advisory Centres, personnel such as Career Guidance Advisor, Programme Outreach Officer and two temporal volunteers. The hiring of staff would be a sole onus of the local municipality.

To this end, Umsobomvu Youth Fund had approved a funding amounting to R 1, 595, 000.00 for the establishment of 5 Youth Advisory Centre Points, excluding the Hibiscus Coast Municipality; hence they were renewing the existing contract with same. In this regard, Ugu District Municipality as a local sphere of government had the responsibility of facilitating and coordination of nationally driven programmes at a local level.

### 7.10.3. UGU DISTRICT YOUTH DEVELOPMENT GUIDELINES

Ugu District Youth Development Guidelines to the Youth Committee for same to lobby and advocate for the establishment of Youth Development Units, within Council of Local Municipalities as measure to institutionalize and mainstream youth development. The preparations for the district youth development guidelines were as a result of a consultation with Ugu District Youth Development Task Team.

### 7.10.4. UGU DISTRICT YOUTH DEVELOPMENT BASELINE SURVEY

The baseline survey on the status of youth development in all municipal wards within the jurisdiction of the Ugu District Municipality. Youth Development Unit within Ugu District Municipality was commissioning a mini research exercise that was aimed at establishing the existing status quo of youth development. This research was also aimed at finding out the youth development needs at various municipal wards and this was meant to be a social research initiative.

## 7.11. ALIGNMENT OF PRIORITY ISSUES

Shared services should be aligned with the Provincial roles and responsibilities which are mandated by the Constitution in terms of section 104 ( ) (b) (i) and section 156 (2). The following are therefore critical:

- Disaster Management (specifically including fire fighting). It is imperative that a joint district-wide fire service be established as a shared service in line with the recommendation of 2004 by Change Management Committee;
- An Integrated Waste Management and Environmental Management Programme must be coordinated by the district as a shared service; and
- The alignments must ensure speedy and cost-effective service delivery.

In terms of the Municipal Systems Act, the District Municipality has a mandate to ensure effective service delivery and support of all municipalities. Therefore a shared services' approach is a corporate strategy to render support to all municipalities which may not have the necessary capacity to deliver on their mandate.

HIV and AIDS, People with Disabilities, Women and Youth: In accordance with the National Department of Health Ugu embraces the World Health Organisation's definition health as "a state of complete physical, mental and social well-being, and not merely the absence of disease or inferiority". Ugu is also guided by the constitutional and legal framework for the provision of health services. In 2004, the National Health Act defined Municipal Health Services as primary environmental health services. For other health services that the municipality does not provide there are partnerships and service level agreement with other spheres of government to ensure affordable and accessible services.

## 7.12. IMPLEMENTATION PLAN

KPA : Good Governance and Community Participation.

NATIONAL KPI : An IDP that is the expression of the state-wide planning as a whole

OBJECTIVE/S : To continuously conduct and improve business planning for the municipality

MUNICIPAL KPI : Better aligned and statistically sound IDP

PROGRAMME:	Strategic Planning			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Continuous planning and introduction of alignment tools and data	Reviewed 2009/2010 IDP	Manager: Development Planning	R30 000	DLGTA Grant
	District Socio-Economic Survey	Manager: Development Planning	R1 000 000	MSIG
	IDP Representative Forum	Manager: Development Planning	R50 000	DLGTA Grant
	District IGR Forum	Manager: Office of the MM		
	District Planning Forum	Manager: Development Planning		
	Technical Task Team	Manager: Development Planning		
	Review municipality's spatial development package of plans	Manager: Development		
	Area Based Plan	Manager: Development		
	Institutional Plan	GM: Corporate Services		

KPA : Institutional Transformation and Organisational Development.

NATIONAL KPI : Development and functionality of effective accountability and performance management mechanisms for councillors and officials

OBJECTIVE/S : To ensure an organised and planned achievement of municipal targets

MUNICIPAL KPI : Fully functional Performance Management System and practice

PROGRAMME:	Monitoring, Reporting & Evaluation
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STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Developing mechanism to ensure municipal performance is on regular basis monitored in line with applicable laws	Developed Performance Management Framework & Service Delivery & Budget Implementation Plan 2009/10	Manager: Development Planning		
	Signed Performance Contracts for section 57 employees	GM: Operations		
	Quarterly performance review reports & meetings	Manager: Development Planning		
	Performance Appraisal	GM: Operations		

KPA : Good Governance and Community Participation

NATIONAL KPI : Effective Intergovernmental Relations

OBJECTIVE/S : Improved and collective understanding of Local Government issues by the municipal leadership.

MUNICIPAL KPI : To strengthen IGR of the District.

PROGRAMME:	Peer Review			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Conduct Peer review of municipalities within the District	Develop a Peer Review Manual	Senior Manager: Corporate Strategy and Shared Services		
	Conduct a Peer Review of municipalities in the district	Senior Manager: Corporate Strategy and Shared Services.		

KPA : Good Governance and Community Participation.

NATIONAL KPI : Universal access to quality, affordable and reliable Municipal Services.

MUNICIPAL KPI : To ensure district plays its legislative role to provide support to local municipalities.

PROGRAMME : Shared Services

OBJECTIVE	To deliver services in the most-cost effective and efficient manner in the whole district.
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STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Building capacity through shared services	Promotion of shared services concept	Dr MJ Ngesi	R 50 000	Internal funding
Maintenance of existing shared services: <ul style="list-style-type: none"> <li>• PMU</li> <li>• Internal Audit</li> <li>• ERP</li> <li>•</li> </ul>	Provision of satisfactory shared services	DR MJ Ngesi	R 50 000	Internal funding
Increasing new shared services: <ul style="list-style-type: none"> <li>• Legal Services</li> <li>• HR Training</li> <li>• Emergency Services</li> </ul>	Consolidation of new and old services	Dr MJ Ngesi	-	-

KPA : Good Governance and Community participation

National KPI : Municipal transformation and organisational Development

Municipal KPI : To restructure the institutional set up for the enhanced service delivery and development.

Program : Risk Management

Objective	To ensure the achievement of the municipal objectives within a tolerable degree of residual risks			
Strategies	Projects	Responsible Person	Estimated Cost	Source
Raise awareness on Risk management	- Conducting risk management workshops - Communicating Risk Management to all employees	Risk Management Officer	R 100 000	Internal Funding
Facilitate the identification of risks by each department	Conducting risk assessment sessions/workshops for each department	Risk Management Officer	R 0	Internal Funding
Integration of generic organizational risks, disaster and Occupational Health and Safety risks	Integration of risks and formulation of an integrated risk register for the entire organization.	Risk Management Officer	R 0	Internal Funding
Assessment of	Checking progress and	Risk	R 0	Internal

action plans	implementation of action plans on quarterly basis.	Management Officer, Risk Management Officer		Funding
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KPA: : Good Governance and public participation  
 NATIONAL KPI :Organizational transformation and Service Delivery  
 MUNICIPAL KPI :To create a local government institution embracing good governance and Batho Pele Principles  
 PROGRAM : Batho Pele

OBJECTIVE/S	To ensure improvement of service delivery			
STRATEGY	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Change Management	Municipal Service Week	Shared Services Coordinator	R 30 000	Internal funding
Enhance Service Delivery	Know Your rights Campaign Unannounced visits	Shared Services Coordinator	R 50 000	Internal funding
Service commitment charter	BP Learning network Khaedu Change management engagement	Shared Services Coordinator	R 50 000	Internal funding

KPA : Good Governance and Community Participation,  
 NATIONAL KPI : Functional community participation mechanisms and ward committees,  
 OBJECTIVE/S : To ensure good governance through enhanced participation by all stakeholders,  
 MUNICIPAL KPI : Improved participation in Municipal matters,

PROGRAMME:	Stakeholder Mobilization			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Capacitate communities to enable them to engage meaningfully with local government.	Conduct community meetings	Senior Manager: Mayoralty and Communications		
	Conduct IDP/Budget Roadshows	Senior Manager: Mayoralty and Communications		
	Strengthen Sod turnings and project handovers	Senior Manager: Mayoralty and Communications		

	Honour National Calendar Days.	Senior Manager: Mayoralty and Communications		
	Honour Special Events	Senior Manager: Mayoralty and Communications		
	Strengthen roll out of Indigent Support Campaign	Senior Manager: Mayoralty and Communications		
	Conduct Water Education Campaign	Senior Manager: Mayoralty and Communications		
	Utilize IGR in respect of DCF	Senior Manager: Mayoralty and Communications		
	Fast-track the launch of the District Communicators Forum.	Senior Manager: Mayoralty and Communications		

KPA : Good Governance and Community Participation

NATIONAL KPI : Establishment of the feedback mechanisms in order to ensure responsiveness to communities,

OBJECTIVE/S : To ensure good governance through enhanced participation by all stakeholders;

MUNICIPAL KPI : Increased awareness on specific issues relating to general service delivery.

PROGRAMME:	Internal and External Communication			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Implementation of communication strategy.	Utilize newsletters and publications.	Senior Manager: Mayoralty and Communications		
	Strengthen Media relations and engagement (Media Releases, Media Conferences, Media Monitoring, & Media Tours).	Senior Manager: Mayoralty and Communications		

	Strengthen Website Content Management.	Senior Manager: Mayoralty and Communications		
	Conduct Mayoral Radio Slots.	Senior Manager: Mayoralty and Communications		
	Strengthen Internal Communication Programme.	Senior Manager: Mayoralty and Communications		

KPA : Good Governance and Community Participation

NATIONAL KPI : Equal, easy and convenient access for the public to the municipality and its services,

OBJECTIVE/S : To ensure an integrated marketing and branding approach in promoting the organization as a leading municipality,

MUNICIPAL KPI : Positive impact on the stakeholders and opinion makers.

PROGRAMME:	Marketing and Promotions			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Develop a comprehensive marketing and promotional strategy	Implement image enhancement initiatives	Senior Manager: Mayoralty and Communications		
	Conduct exhibitions, trade and promotional fairs	Senior Manager: Mayoralty and Communications		
	Implement transit and billboard marketing	Senior Manager: Mayoralty and Communications		
	Initiate and Implement corporate marketing initiatives	Senior Manager: Mayoralty and Communications		
	Develop a Marketing and Promotions Strategy	Senior Manager: Mayoralty and Communications		
	Deploy additional financial resources to support strategy roll out	Senior Manager: Mayoralty and Communications		

KPA : Good Governance and Community Participation

NATIONAL KPI : Continuous and special attention to historically marginalised and excluded communities,

OBJECTIVE/S : To ensure provision of support to Executive, enabling effective execution of constitutional mandates,

MUNICIPAL KPI : Create difference in the lives of assisted members of the public and various stakeholders.

PROGRAMME:	Mayoral Special Programme			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Community upliftment interventions	Mayor's Discretionary Fund	Senior Manager: Mayoralty and Communications		
	Mayor's Bursary Fund	Senior Manager: Mayoralty and Communications		
	Conduct Mayoral Outreach	Senior Manager: Mayoralty and Communications		
	Grants in Aid	Senior Manager: Mayoralty and Communications		
	Adjustments in respect of Discretionary Fund budget	Senior Manager: Mayoralty and Communications		
	Develop a policy with respect to placement of Bursary Fund beneficiaries	Senior Manager: Mayoralty and Communications		

KPA Good Governance and Community Participation

NATIONAL KPI : Continuous and special attention to historically marginalised and excluded communities,

OBJECTIVE/S : Institutionalizing and mainstreaming of youth development within Ugu District Municipality as a mechanism to encourage community participation,

MUNICIPAL KPI : Ugu District Municipality status on youth development known for future modes of interventions.

PROGRAMME:	Institutional Youth Development			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Capacitate communities to enable them to engage meaningfully with local government.	Render support to Youth Development Initiatives at local level,	Manager: Youth Development		
	Facilitate the creation of Youth Bursary Fund in Ugu District, Lower South Coast Chamber of Commerce to be engaged,	Manager: Youth Development		
	Co-ordinate the training of tour guide in preparation for soccer 2010 and beyond,	Manager: Youth Development		
	Document District youth development guidelines.	Manager: Youth Development		
	Conduct skills Development and Training,	Manager: Youth Development		
	Conduct research or Baseline Survey on the status of youth development within the District Municipality areas,	Manager: Youth Development		
	Conduct Career Exhibition Day,	Manager: Youth Development		
	Register financial assistance for needy rural students,	Manager: Youth Development		

KPA : Good Governance and Community Participation  
 NATIONAL KPI : Continuous and special attention to historically marginalised and excluded communities,  
 OBJECTIVE/S : To facilitate a co-ordinated response to the HIV & AIDS pandemic,  
 MUNICIPAL KPI : Common understanding of concepts by all relevant stakeholders.

PROGRAMME:	HIV and AIDS			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
	Conduct prevention, Education and Awareness campaign.	Manager: HIV/ AIDS and Special Programmes		
	Strengthen Treatment, Care and Support for the infected and affected,	Manager: HIV/ AIDS and Special Programmes		
	Care of the Vulnerable Children and Special Groups (People with Disabilities, Youth, Women, Children and Older Persons),	Manager: HIV/ AIDS and Special Programmes		
	Conduct Research, Monitoring and Evaluation,	Manager: HIV/ AIDS and Special Programmes		
	Policy, Administration and Human Rights,	Manager: HIV/ AIDS and Special Programmes		
	Institutional Coordination,	Manager: HIV/ AIDS and Special Programmes		

KPA : Good Governance and Community Participation  
 NATIONAL KPI : Continuous and special attention to historically marginalised and excluded communities,  
 OBJECTIVE/S : To ensure protection of the vulnerable groups rights.  
 MUNICIPAL KPI : Co-ordinated Programme in place.



PROGRAMME:	Special Programmes			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Create awareness on human right and vulnerable groups.	Women	Manager: HIV/AIDS and Special Programmes		
	People with disabilities	Manager: HIV/AIDS and Special Programmes		
	Implementing approved Programme of Action	Manager: HIV/AIDS and Special Programmes		
	Interim council	Manager: HIV/AIDS and Special Programmes		
	Local municipalities supported and assisted	Manager: HIV/AIDS and Special Programmes		
	Functional councils in Umdoni and Umzumbe	Manager: HIV/AIDS and Special Programmes		
	Facilitate ongoing Capacity Building workshops /programmes ,linked to LED section	Manager: HIV/AIDS and Special Programmes		
	ORC focal persons identified in all government departments and but not LMs	Manager: HIV/AIDS and Special Programmes		
	Develop and support programmes targeting children facilitated in collaboration with key implementing departments and civil society organizations	Manager: HIV/AIDS and Special Programmes		
	Link the programme to other programmes e.g HIV ,women, senior citizens	Manager: HIV/AIDS and Special Programmes		

## 8. CHAPTER 8 - ENVIRONMENTAL MANAGEMENT AND SPATIAL PLANNING

### 8.1. ENVIRONMENTAL HEALTH

The Environmental Health Services, countrywide, were absorbed from local municipalities to the district municipalities, as a result, from 01 July 2006 Ugu District Municipality became the official provider of Environmental Health Services in its jurisdiction. The same should have happened with the Provincial Environmental Health Services, but the devolution process is still outstanding until further resolutions on some pertinent issues. This implies therefore that the service is still disintegrated however its delivery to the communities remains uninterrupted.

The service derives its mandate from the following legislative regime:

- The Constitution of the Republic of South Africa (Act N° 108 of 1996)
- National Health Act (Act N° 61 of 2003)
- Additionally, Municipal Systems Act (Act N° 32 of 2000)
- National Water Act (Act N° 36 of 1998)
- National Environmental Management Act (Act N°107 of 1998)
- International Health Norms and Standards as specified by the World Health Organization (WHO)
- DWAF Standards and relevant municipal by-laws

The function comprises of the following functional areas:

- Water quality monitoring
- Food control
- Waste management monitoring
- Health surveillance of premises
- Surveillance and prevention of communicable diseases, excluding immunizations
- Vector control
- Environmental pollution control
- Disposal of the dead, and
- Chemical safety, but excludes port health, malaria control and control of hazardous substances

### 8.1.1. ENVIRONMENTAL HEALTH PRIORITY ISSUES

#### Health Education

Health education is a very critical aspect of environmental health, as some of the health issues are being taken for granted by communities and some elements of the business. This includes unhygienic food preparations, food contamination as a result of unhygienic surroundings and other factors, non-compliance with basic standards, etc. Some of the communities are so familiar with their surroundings or lack knowledge such that they are in no position to identify health risks that may be detrimental to them.

Health Education will also address other natural aspects of health risks in relation to water resources and general environmental pollution.

#### Basic service delivery

Integration of this with environmental health is very critical as there are some elements of health that cannot be addressed unless the communities have the basic and essential services at their disposal. These relate to waste management facilities, housing and appropriate sanitation facilities and so on.

It is very critical for the housing projects to be integrated with other services such as water, sanitation, environmental impact assessments, health facilities, waste management services and compliance with National Building Regulations in order to ensure that all the requirements are met. Compliance with these will prevent the repetitive cycle of poverty and major environmental and health hazards as a result of poor and disintegrated planning.

#### Implementation of Provincial devolution

Finalisation of the devolution process will be very crucial to the implementation and delivery of Environmental Health Services as it will enable the district to establish and conclude its human resource capacity. Furthermore, planning will be more realistic, goal oriented and possibly gap-free based on a reasonable human resource complement and consistent geographical coverage of the district by the service. Currently, the latter is currently skewed as the province and the district are operating the same function at their own independent capacities.

#### By-laws

After the absorption to the district, the environmental health by-laws lapsed as they were applicable only to the respective individual local municipalities. This aspect will have to be taken as a matter of high priority in the financial 2008/09 to enable environmental health services to enforce the law at a district level.

### Capacity building for law enforcement

All the Environmental Health Practitioners will receive training as Peace Officers for effective law enforcement. This will give them more legal powers beyond the issuing of notices which will enable them to ensure safer, healthier and more hygienic environment for the communities and consumers.

2010

Environmental Health Services will ensure that the approach, progress and aftermath of 2010 Soccer World Cup see a hygienically protected and safe environment. Even though the district will not be the host of the Soccer World Cup tournaments as such, in one way or the other, it will be affected greatly in terms of tourism and other related activities and impacts. Thus plans and preparations to ensure that the district is free of health hazards are underway and all should be finalised by June 2009.

## 8.2. ENVIRONMENTAL MANAGEMENT

### 8.2.1. PRIORITY ISSUES FOR 2008/09

#### Shared Service Strategy for environmental management

Implementation of environmental management and waste management as shared services amongst the district and local municipalities has been proposed as per IDP 2007/08. However, a consultative process is still underway whereby all environmental and waste management needs and priorities of the local municipalities are being discussed and analysed in detail in order to attach a financial value to them and allow the Municipal Managers' forum as well as the Council to make an appropriate decision on their implementation as shared services.

Waste management is a major priority, and decisions and plans around it will have to be taken very soon as the district has to meet a deadline of July 2009 whereby all waste management related systems, viz. district strategic plan(s), infrastructure, human, financial resources, projects, etc. should be in place. The presence of these will determine the readiness of the district and its local municipalities to handle the consumption rates that will definitely contribute to waste volumes towards, during and beyond 2010.

In relation to environmental management, few areas have been prioritised for initial implementation and these include coastal zone management, wetlands management, greening (coupled with alien invasive programme) and environmental education.

## Environmental education

In consultation with sector departments, public entities, local municipalities, the district, through Ugu Environmental Task Team, seeks to engage in a more strategic approach to environmental education programme. An Environmental Education Strategic Planning Session has been held and four priority areas have been identified as well as lead sectors that will champion each area as per their functionality, jurisdiction within Ugu as well as specialist expertise. These include education on waste management, coastal zone management, wetlands management and water resources. A medium-term action plan on the strategic implementation of environmental education has been developed, which, after adoption by relevant internal structures, will require a very high level of commitment from all parties concerned and vigorous implementation mechanism.

These have been in existence since calendar year 2005. The Strategic Plan for Environmental Education held in March 2008 resolved that these will have to be strengthened at a very high level in order to heighten environmental education in the district. High level commitment from the participating sector departments will be solicited.

### 8.2.2. ENVIRONMENTAL SECTOR PLANS

Some of the following environmental management tools do exist but need review (except a C-Plan) and will have to receive priority:

- A Strategic Environmental Assessment (SEA) is the only official environmental reference document that is currently existent and should be reviewed in financial year 2008/09. A phased approach is planned whereby the local municipalities that are regarded as development hotspots will receive primary focus, wherein an SEA will either be developed or reviewed, and the rest of them will form part of phase 2 of SEA.
- Coastal Management Programme/Plan (CMP): also developed in 2001/2002, CMP needs to be reviewed under the new coastal zone management legislation, which will become applicable once promulgated in the middle of calendar year 2008.
- C-Plan for Protected Areas: as per requirement by National Environmental Management: Protected Areas Act No 57 of 2004, these are at completion stages for Mbumbazi and Vernon Crookes Nature Reserves.
- Integrated Waste Management Plan (IWMP): the district-wide plan will be developed in the financial year 2008/09.

### 8.2.3. ENVIRONMENTAL HEALTH

- Health education which shall nurture proper behaviour and also provide skills to identify health risks.
- Conclude on the devolution process which may result in services being more coordinated.
- Establishment of environmental health by-laws to enable uniform application of the requirements throughout the district
- Ensuring compliance to hygiene and health standards amongst the general community, business sector and housing projects

- Ensure that optimum health standards for major functions and FIFA Soccer World Cup tournament(s) in 2010 are in order throughout the district

#### 8.2.4. ENVIRONMENTAL AND WASTE MANAGEMENT

- Facilitate the environmental management and waste management shared services in the district
- Ensure the coordination of waste and environmental management issues throughout the district, such that waste management services in particular are fully functional by end 2009
- Need to enhance strategic approach to environmental education
- Review the existing environmental sector plans and develop the required ones

KPA : Spatial Analysis and Environmental Management  
 NATIONAL KPI : A clean, safe and healthy municipality  
 MUNICIPAL KPI : Improved Environmental Management  
 PROGRAMME : Creating a cleaner district

OBJECTIVE/S	To widen the solid waste management service to previously neglected areas to control waste disposal			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
To coordinate the provision of solid waste management services and strategies for implementation	Coordination of the development of solid waste management services at local municipalities.	Manager: Environmental Services		
	Integrated Waste Management Planning (IWMP)	Manager: Environmental Services	R600, 000 (R300, 000 grant from DAEA and internal)	Provincial and internal funds
	Implementation of Shared Services Strategy (which integrated waste management is part of) will give strategic direction.	Manager: Environmental Services		
To eliminate potential health risks/hazards emanating from poor or lack of waste management services	Education on safe waste management practices	Manager: Environmental Services	R20 000	Internal funds
	Community involvement in healthy and safe waste reduction strategies		Food parcels	Department of Transport

KPA : Spatial Analysis and Environmental Management  
 NATIONAL KPI : A clean, safe and healthy municipality

MUNICIPAL KPI : Improved environmental management planning and reporting  
 PROGRAMME : Spatial Planning

OBJECTIVE/S	To ensure improvement of environmental planning and reporting			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Develop the required environmental management planning and reporting tools	Strategic Environmental Assessment for UMuziwabantu	DAEA Ugu Office; IDP Manager Manager: UMuziwabantu; Manager: Environmental Services (Municipal Coordinator)	R370, 000 (R250, 000 – DAEA; co-funding required)	DAEA (the municipality to co-fund)
	Planned SEAs for other 2 local municipalities	Manager: Environmental Services	R1,000, 000	Internal funds

KPA : Spatial Analysis and Environmental Management  
 NATIONAL KPI : A clean, safe and healthy municipality  
 MUNICIPAL KPI : Improved Environmental Management  
 PROGRAMME : Social Responsibility/Poverty Alleviation

OBJECTIVE/S	To improve environmental sustainability			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Facilitate the management of coastal (resources and) projects	Ugu Working for the Coast project	DEAT official	R10m (spread over the 3-year MTEF cycle)	DEAT

KPA : Spatial Analysis and Environmental Management  
 NATIONAL KPI : A clean, safe and healthy municipality  
 MUNICIPAL KPI : Improved Environmental Management  
 PROGRAMME : Sustainable Development

OBJECTIVE/S	To integrate environmental management into development applications and initiatives in the district			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Input in the development applications, supply basis for approval from the district perspective	Participation in the public participation process through comments	Manager: Environmental Services		
	Project screening: Task team for assessing development applications in the district	Manager: Environmental Services		

KPA : Spatial Analysis and Environmental Management  
 NATIONAL KPI : A clean, safe and healthy municipality  
 MUNICIPAL KPI : Improved Environmental Management  
 PROGRAMME : Environmental Education, Awareness and Training

OBJECTIVE/S	To strengthen and widen the environmental education programme in the district			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
To coordinate environmental education programme	Schools programmes	Manager: Environmental Services	R100, 000	
	Education amongst sectors, organised structures of the community, the communities at large	Manager: Environmental Services	R100, 000	Provincial, internal funds and sponsors
		Manager: Environmental Services		

KPA : Spatial Analysis and Environmental Management  
 NATIONAL KPI : A clean, safe and healthy environment  
 MUNICIPAL KPI : Adherence to environmental health standards  
 PROGRAMME : Environmental Health Law Enforcement



OBJECTIVE/S	To promote health of citizens through law enforcement			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
To protect communities from environmental health risks and nuisances by ensuring compliance with environmental health legislative requirements	Capacity building on acceptable standards and practices as regards the law	Manager: Environmental Services	R20 000	Internal funds
	Enforcing and monitoring of standards and procedures	Manager: Environmental Services		
	Training and registration of Environmental Health Practitioners as Peace Officers	Manager: Environmental Services		HR Skills Development Funds
	Development of environmental health by-laws covering the whole district	Manager: Environmental Services	R400 000	Grants to be sourced from DLGTA

KPA : Spatial Analysis and Environmental Management  
 NATIONAL KPI : A clean, safe and healthy environment  
 MUNICIPAL KPI : Adherence to environmental health standards  
 PROGRAMME : Health Education

OBJECTIVE/S	To raise awareness and enhance healthy living in communities through education			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Conduct/implement health education programmes in schools and communities	Observation of special health days and events for education purposes	Manager: Environmental Services	R40 000	Internal funds
	Hosting workshops, talks and campaigns	Manager: Environmental Services		
	Holding exhibitions at charity and large events	Manager: Environmental Services		

KPA : Spatial Analysis and Environmental Management  
 NATIONAL KPI : A clean, safe and healthy environment  
 MUNICIPAL KPI : Improved environmental management  
 PROGRAMME : Air Quality Management

OBJECTIVE/S	To maintain a good/acceptable State of Air in the district			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Monitor air quality and identify sources of pollution	Maintain the air pollution station and analyse results	Manager: Environmental Services	R100 000	Internal source
	Air quality monitoring throughout the district	Manager: Environmental Services		
	Enforcing compliance and registration as regards emissions	Manager: Environmental Services		
	Emissions inventory and licensing and permits all emitters	Manager: Environmental Services		

KPA : Spatial Analysis and Environmental Management  
 NATIONAL KPI : A clean, safe and healthy environment  
 MUNICIPAL KPI : Adherence to environmental health standards  
 PROGRAMME : Water Quality Monitoring

OBJECTIVE/S	To ensure water is safe for human consumption and recreational purposes			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
To eliminate water pollution and nuisances and waterborne hazards thereof	Regular water sampling and monitoring	Manager: Environmental Services		
	Analysing and ensuring compliance with standard requirements	Manager: Environmental Services		
	Education on water pollution	Manager: Environmental Services		

KPA : Spatial Analysis and Environmental Management  
 NATIONAL KPI : A clean, safe and healthy environment  
 MUNICIPAL KPI : Adherence to environmental health standards  
 PROGRAMME : Greening

OBJECTIVE/S	To ensure environmental sustainability			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Promote awareness of interconnectedness between tourism development and development sustainability	Greening	DAEA	R160, 000	DAEA

KPA : Spatial Analysis and Environmental Management  
 NATIONAL KPI : A clean, safe and healthy environment  
 MUNICIPAL KPI : Adherence to environmental health standards  
 PROGRAMME : Food control

OBJECTIVE/S	To ensure adherence to food standards and procedures			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Promote safe and hygienic food handling practices and compliance amongst communities, business sector and schools	Regular investigations and inspections of food premises to ensure compliance	Manager: Environmental Services		
	Influencing supply chain procedures regarding caterers within the district	Manager: Environmental Services		
	Food sampling in accordance with the National Directives/Policies	Manager: Environmental Services		

KPA : Spatial Analysis and Environmental Management  
 NATIONAL KPI : A clean, safe and healthy environment  
 MUNICIPAL KPI : Adherence to environmental health standards  
 PROGRAMME : Planning and Building control

OBJECTIVE/S	To ensure all new buildings comply with SABS 0400			
STRATEGIES	PROJECTS	RESPONSIBLE PERSON	ESTIMATED COST	SOURCE
Ensure scrutiny of plans and new buildings being erected and ensuring compliance of the existing buildings	Scrutiny of all plans submitted	Manager: Environmental Services		
	Inspection of building sites where necessary to ensure compliance	Manager: Environmental Services		
	Making recommendations on the health standards of the new and existing buildings	Manager: Environmental Services		

## 9. CHAPTER 9 – SECTOR PLANS AND POLICIES

### 9.1. MUNICIPAL POLICIES

Apart from legislative requirements, the following are policies and procedures developed to guide all activities and procedures of the municipality. These policies are developed to ensure effective and efficient use of municipal assets and service delivery. They are:

TABLE 16: ADMINISTRATIVE POLICIES THAT EXISTS IN THE DISTRICT

Human Resources	Financial Management
13th cheque policy	Accounting policies
Acting allowance policies and procedures manual	Capital replacement reserve policy
Code of conduct policy	vehicle policy
Compensation for occupational diseases and injuries policies and procedures manual	Fixed asset management policy
occupational health and safety policy	Investment and cash management policy
Consuming of alcohol or any abusive drugs- substance policy	
Death of staff member policy	Auxiliary and Information Technology
Draft- promotion policy	Email and Internet User Policy
Sexual harassment policy	Telephone and cell phone policy
Smoking policy	
Unauthorised absence policy	Other
Retention policy	Delegation of powers policy
Employee assistance programme policy	Draft - fraud prevention strategy
Gift, favours or reward policy	fraud response plan
Hours of work policy	Indigent support policy
Housing rental policy	Standing rules for municipal council
Implementation of new policies & procedures	Supply chain management policy
Internship training policy	
Leave regulations policy	
Long service allowance policy	
Management of subsistence abuse procedures	

Personal protective equipment policy	
Private work for remuneration policy	
Public holiday policy	
Recording of attendance policy	
Recruitment procedure manual	
Recruitment selection policy	
Removal expenses policy	
Salary advance policy	
Salary deduction policy	
Training and development policy	
Upwards mobility of staff	

## 9.2.

## 9.3. PROGRESS ON SECTOR PLANS

Sector plans are developed outside the formal IDP process hence always available on different times than the IDP and not running parallel to it in terms of the period covered. Below is an update on each one of them:

### 9.3.1. REVIEWED INSTITUTIONAL PLAN

The institutional plan was adopted with the 5 year IDP in 2007. However, more work still needs to be done on the organisational review hence it is under review and should be finalised in time for the final adoption of the IDP in May 2008. Attached as an annexure to this document, is the plan as adopted last year.

### 9.3.2. FINANCIAL AND CAPITAL INVESTMENT PLAN

The financial and capital investment plan was adopted with the 5 year IDP in 2007. However, it needed to be reviewed and updated this year as per the IDP guidelines issues by DLGTA during the course of this year. It is under review and should be finalised in time for the final adoption of the IDP in May 2008. Attached as an annexure in this document, is the plan as adopted last year.

### 9.3.3. INTERGRATED TRANSPORT PLAN (ITP) AND PUBLIC TRANSPORT PLAN (PTP)

In 2006/2007 Ugu District Municipality successfully completed its Public Transport Plan (PTP). In terms of the NLTA, Planning Authorities are required to annually review and update transport plans to ensure that information, projects and programmes remains current or accommodate changing circumstances. Ugu District Municipality was granted funding by the Department of Transport to assist the municipality with the PTP review process.

During the preparation on the PTP there were a number gaps that were identified as a result Ugu prepared the PTP Terms of References that were tailor made for the municipal situation. Currently we are undertaking the internal procurement processes towards appointing a service provider.

With regards to the Integrated Transport Plan Ugu District Municipality has not been appointed to compile this plan as according to the provisions of the NLTA.

#### 9.3.4. SPATIAL DEVELOPMENT AND LAND USE MANAGEMENT FRAMEWORK

The Ugu Spatial Development Framework (SDF) and Land Use Management (LUM) framework is in place since 2005. However, a review is needed in order to align the SDF with the 5 year IDP spatial plans for 2007/2008-2011/2012. The intention is to conduct this review in the new financial year.

#### 9.3.5. WATER SERVICES DEVELOPMENT PLAN (WSDP)

The plan is in place and as per the requirement for annual review. It is also under review to include latest backlog figures which will inform the WSDP. It is anticipated that the study will be completed by end of April 2008 and there will be a working draft document.

#### 9.3.6. DISASTER RISK MANAGEMENT PLAN

The Disaster Risk Management Plan is in place. However, this plan is divided into three phases and currently the District is in the second phase, preparing for the final phase. The municipality has appointed a service provider to undertake phase three which incorporates all six local municipalities as well as the District Municipality. This plan will identify a minimum of ten risks per municipality and prepare risk reduction plans for the risks identified.

#### 9.3.7. COMBINED PERFORMANCE MANAGEMENT SYSTEMS (PMS) AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

The 2007/08 PMS and SDBIP is in place and being implemented. The 2008/09 plan is being prepared for adoption in June 2008.

#### 9.3.8. ELECTRICITY MASTER PLAN

The plan was adopted by council in 2007 and is under review.

#### 9.3.9. LOCAL ECONOMIC DEVELOPMENT STRATEGY

The LED strategy is a 5 year plan, which was adopted in June 2007. The plan is to be reviewed during the 2008/2009 financial year with specific emphasis on the Spatial Economic Development Framework. The LED implementation plan and planned LED projects are informed by this strategy. The uniqueness of this strategy is that it has its own sector plans which are as follows:

- Agricultural sector plan
- Tourism sector plan
- Manufacturing sector plan
- Information communication technology (ICT) sector plan
- Poverty elevation sector plan
- Trade and commerce sector plan

#### 9.4. LAND USE MANAGEMENT

##### 9.4.1. BACKGROUND

The Land Use Management System (LUMS) is based upon the principles contained in the National White Paper on Land Use Planning and Management, 2001 conforming to the requirements of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000). The current legal framework in place in the province however does not provide a clear or straightforward route towards legalizing the proposed LUMS.

Several challenges are experienced in the day-to-day management of land development, all caused by the outdated, apartheid legislative framework currently in place within the municipal area. These problems are compounded by the fact that municipalities in Ugu were established for the first time in 05 December 2000 as fully fledged municipalities (a total of six in our district). However, some of the municipalities do not have tools, system and personnel in place to administer land administration / control.

Translating the principles reflected in the White Paper and the Land Use Management Bill (LUMB) into a practical, working system, especially in a rapidly growing urban centre encompassing a range of former apartheid race zones, is a very challenging task. Other factors include land ownership i.e. administration of land that is under Ingonyama Trust which was not included in the initial planning of Town Planning Scheme.

The nature of land use management however makes it imperative that a land use system is supported by a robust and defensible legal framework. An over-riding priority is that the decisions of the municipality to manage the processes of land use and land development cannot be open to legal challenge either by disappointed applicants or hostile objectors.

##### 9.4.2. NODES & ACTIVITY CORRIDORS

The National Spatial Development Plan (NSDP) guides that settlement & economic development should be channelled into activity corridors and nodes. Taking the analysis of potential and need the Provincial Spatial Economic Development Perspective (SEDP) identifies nodes and activity corridors which would:

- Facilitate increased growth of existing centres & corridors for economic development
- Ensure that the economic development potential in areas of high poverty levels and densities is realised
- The nodes and activity corridors don't cover the whole province. They focus only on those nodes and corridors which could have the most impact in halving poverty and unemployment by 2010.



- The rest of the province cannot be neglected but the major focus of fixed investment should be directed at these nodes and development corridors.

#### 9.4.2.1. Nodes

The nodes are defined as follows:

- Primary Node (PN): An urban centre with very high existing economic growth and the potential for expansion thereof. Provides service to the national and provincial economy.
- Secondary Node (SN): An urban centre with good existing economic development and the potential for growth. Services the regional economy.
- Tertiary Node (TN): A centre which should provide service to the sub-regional economy.
- Quaternary Node (QN): A centre which should provide service to the localised economy.
- 5th level Node (5N): A centre which provides service to the ward.

The first 2 levels of nodes have been identified for priority interventions of the cluster over the next 5 years.

#### 9.4.2.2. Corridors

The corridors are defined as follows:

- Primary Corridor (PC): A corridor with very high economic growth potential within all three sectors which serves areas of high poverty densities; and
- Secondary Corridor (SC): A corridor serving areas of high poverty levels with good economic development potential within one or two sectors

#### 9.4.2.3. Identified Nodes and Corridors

The key investment nodes and activity corridors for the cluster over the next 5 years have been identified as follows.

##### Provincial Priority Corridors

PC1 eThekweni/Umhlatuze  
 PC2 eThekweni – Msunduzi - Umngeni  
 SC1 Umhlatuze – Ulundi - Vryheid (P700)  
 SC5 Lebombo SDI - Maputo  
 SC6 Port Shepstone – St Faiths - Ixopo  
 SC12 Greytown – Msinga – Madadeni (Battlefields route)

Priority PSEDS nodes in the Ugu District:

SN4 – Port Shepstone  
 TN2 – Hibberdene  
 TN8 – Margate

TN10 – Scottburgh  
QN26 – Port Edward  
QN35 – Harding

Priority PSEDS corridors in the Ugu District:

PC3 – Ethekwini- Ugu  
SC6 – Port Shepstone  
– ST Faiths - Ixopo

#### 9.4.3. CHALLENGES OF LAND ADMINISTRATION

Land administration is one of the key processes in managing the development of an area. The performance of this function largely lies with the local municipalities. A challenge in relation to this function is twofold:

Firstly land administration is not applicable in Ingonyama Trust land (most municipalities include sections of Ingonyama Trust Land). This is due to apartheid legislation and the fact that traditional planning system was used as a planning tool whereby Amakhosi are the custodian of land and had the power to allocate land to the people in an unplanned manner. Unfortunately, this system has been proven to be ineffective and not in line with development planning principles. In other words, the Land Use Management System and its resultant scheme is not being implemented due to limited institutional capacity, lack of buy-in by land custodians and clear understanding from custodians about physical planning.

Physical planning is about ensuring that development takes place in an orderly manner and those services are coordinated so that resources can be utilised to its maximum potential taking cognisance of the geology, EIA procedures etc. It should also be clear that there are processes and procedures that can be followed to ensure that physical development takes place without any disturbance of land ownership as well as disturbance of power and control from Amakhosi.

Secondly Municipalities are already experiencing backlogs in land administration applications. This has been more evident in the case of the coastal municipalities where they struggle to cope with the development pressures resulting from the property boom experienced in recent years. These municipalities are in an unhealthy situation having land administration lagging behind development / investment.

Rural areas have also proven to be a challenge in managing land use. This is due to the fact that the communal approach to land use is not synchronised to the system introduced by our democratic local government system. The introduction of land use management system to cover every area then should have gone hand-in-hand with a clear programme to make the two systems talk to each other rather than simply developing LUMS and hoping to implement it immediately.

The communal land use management system amongst other things do not recognise the role of local government to approve development and assume that if you are a custodian of the land you can simply decide how to use it. This is not in line with how local government operate. A property owner/custodian in the current local government

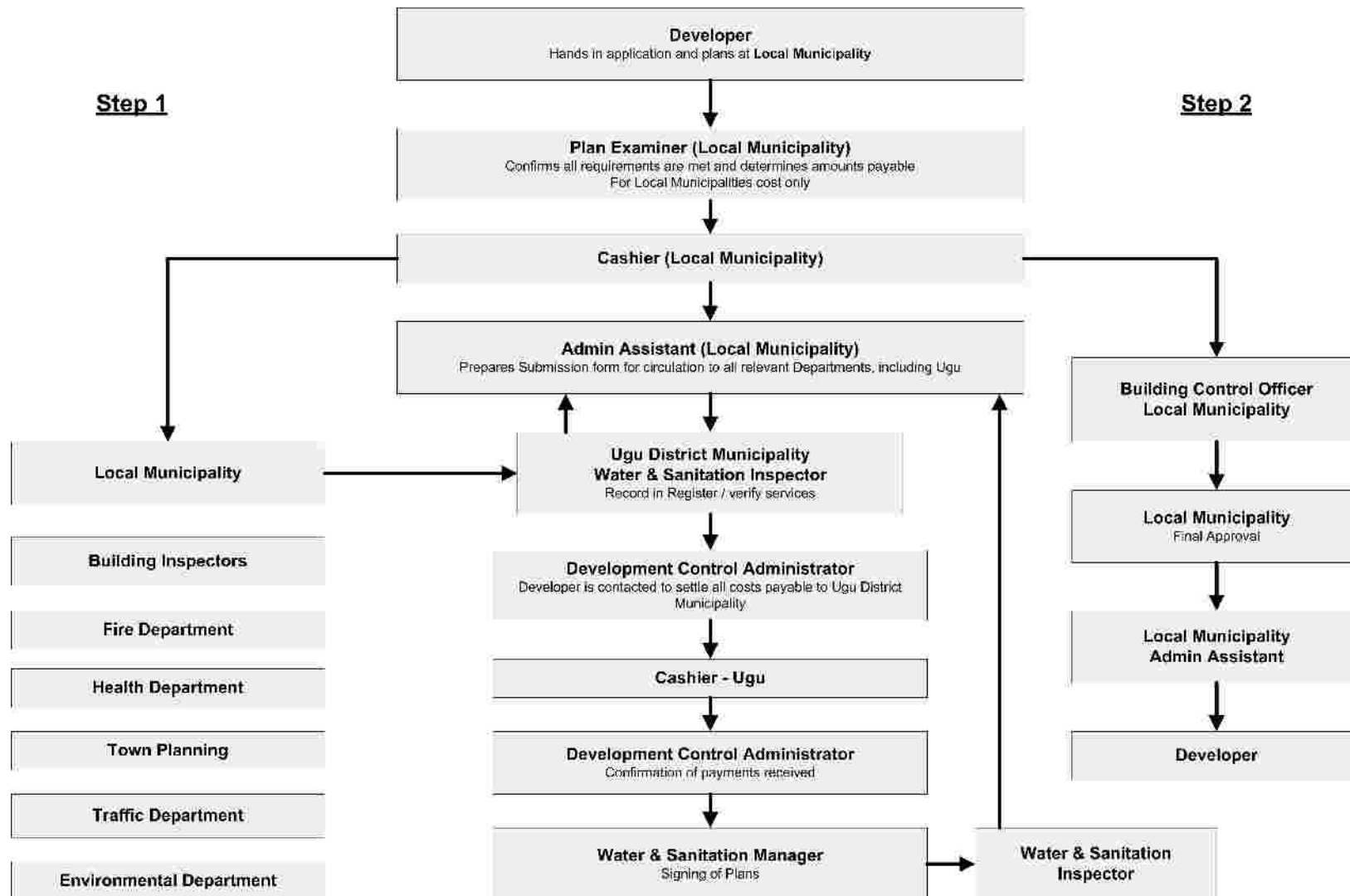
system still needs authorisation from a municipality to develop land. The problem for land use management in rural areas was therefore not addressed by the introduction of LUMS and innovative mechanisms to make it work are urgently required.

#### 9.4.4. LAND ADMINISTRATION TOOLS

##### DEVELOPMENT FACILITATION ACT (DFA) NO 67 OF 1995

There are general development principles that have been developed as guidelines on how development is to take place and the processes and procedures it should follow. The DFA ensures that each municipality has a Designated Officers (DO) who will serve as the first link between the developer (and applicant) and the Development Tribunal. The DO is responsible for ensuring that the procedures for submitting and processing of an application are followed correctly. This function is quite taxing to the resources of the district as not all local municipalities, especially those experiencing development pressures, have their own Dos. High staff turnover is a challenge, as well as the process to get an individual appointed as a DO.

Coordination between the local and district municipalities is very important in order to speed up the processing of the developmental applications, as well as maintaining a relationship with customers. However, the lack of coordination between the local municipalities performing land administration as required and the District Municipality still remain. In response to this need, an integrated plan approval system, paying particular attention to the standardisation of tariffs, one-stop development applications, submissions and fast-tracking of plans and approval processes, should be developed. The diagram below shows the flow chart for water & sewer approval of plans.

**FLOW CHART FOR WATER & SEWER APPROVAL OF PLANS**

## 9.5. LAND USE MANAGEMENT FRAMEWORK

To deal with the land administration issue the municipality prepared the Land Use Management Framework that contains a revised Spatial Development Framework. The framework provides further details to the PSEDs information regarding the corridors and nodes in this district. The reality that this municipality and many others face is the fact that effective land use management need both extremes. A strategic framework which will give a bird-eye view of where we are and which direction we must take, as well as a high level of detail for each area in the administrative area. Therefore, the Land Use Management Framework is a start; a series of land administration plans is necessary and should follow in order to achieve an effective management of land use.

The Land use Management Framework is attached as Annexure

## 9.6. MULTI-YEAR IMPLEMENTATION PLAN

LOCAL ECONOMIC DEVELOPMENT						
PROGRAMMES	PROJECT	FUNDING SOURCE	MUNICIPALITY	2007/2008 BUDGET	2008/2009	2009/2010
	Providing support to Arts & Culture Forum	Dept of Arts & Culture Tourism		R40 000		
	Social Cohesion Programme	Dept of Arts & Culture Tourism		R170 000		
	Moral Regeneration	Dept of Arts & Culture Tourism		R80 000		
	Visual Arts & Craft Promotion	Dept of Arts & Culture Tourism		R80 000		
	PERFORMING ARTS PROMOTION	Dept of Arts & Culture Tourism		R70 000		
	PERFORMING ARTS/	Dept of Arts & Culture Tourism		R130 000		
	Music, Song and Dance Project	Dept of Arts & Culture Tourism		R150 000		
	Filmmaking Project & Festival	Dept of Arts & Culture Tourism		R100 000		

PROGRAMMES	PROJECT	FUNDING SOURCE	MUNICIPALITY	2007/2008 BUDGET	2008/2009	2009/2010
	Choral Music Eisteddfods	Dept of Arts & Culture Tourism		R100 000		
	Malangen Library	Dept of Arts & Culture Tourism	Umdoni		R 6,2million	R250 000
	IZINQOLENI LIBRARY	Dept of Arts & Culture Tourism	EZINQOLENI		R250 000	
	Kwandlwane Library	Dept of Arts & Culture Tourism	( Hibiscus Coast)		R6,5 million.	
	Bursaries	Dept Arts & Culture			R20 000	
	Learnership	Dept Arts & Culture			R45 455	
	Career Exh.	Dept of Arts & Culture Tourism			R600 000	
	TMP	Dept of Arts & Culture Tourism			R450 000	
	Tour Guides	Dept of Arts & Culture Tourism			R98 000	
	GSP	Dept of Arts & Culture Tourism			R15 000	
	CBP	Dept of Arts			R280 000	

PROGRAMMES	PROJECT	FUNDING SOURCE	MUNICIPALITY	2007/2008 BUDGET	2008/2009	2009/2010
		Culture & Tourism				
	BEE	Dept of Arts Culture & Tourism			R60 000	



## BASIC SERVICE DELIVERY AND INFRASTRUCTURE

PROGRAMMES	PROJECT	FUNDING SOURCE	MUNICIPALITY	2007/2008 BUDGET	2008/2009	2009/2010
Equity.	Spar Ladies Race.	Dept of Sports	All six.	R17.000	R20.000	
Equity	Women's day Celebration	Dept of Sports	To be confirmed	R30.000	R35.000	
Capacity building.	Training of structure.	Dept of Sports	All six(LM'S)	R15.000	R15.00	
	Sport Indaba	Dept of Sports	To be confirmed	R7.000	R10.000	
Federations-couching clinics Tournaments Leagues.	Boxing	Dept of Sports	All six(LM'S)	R120.000	R150.000	
	Football	Dept of Sports	All six(LM'S)	R45.000	R60.000	
	Basketball	Dept of Sports	All six(LM'S)	R32.000	R50.000	
	Swimming	Dept of Sports	Hibiscus Mdoni	R32.000	R42.000	
	Cricket	Dept of Sports	All Six (LM'S)	R47.000	R60.000	
	Rugby	Dept of Sports	All Six (LM'S)	R54.000	R60.000	
	Hockey	Dept of Sports	All Six(LM'S)	R38.000	R40.000	
	Netball	Dept of Sports	All Six (LM'S)	R61.000	R70.000	
	Volleyball	Dept of Sports	All Six(LM'S)	R41.500	R45.000	
	Athletics	Dept of Sports	All Six(LM's)	R60.000	R70.000	
Special programmes-dollar grants	School Sports Mass Participation	Dept of Sports	18 Mzumbe. 18 Harding.	R70.000(per cluster) - Equipment R70.000 (per cluster) - for festivals/launch		

PROGRAMMES	PROJECT	FUNDING SOURCE	MUNICIPALITY	2007/2008 BUDGET	2008/2009	2009/2010
	Mass Participation Hubs. –	Dept of Sports	Muziwabantu-10 Ezingoleni- 10 Hibiscus-10 Mzumbi-20 Mdoni-10 Vulamehlo-20	R60.000(per Hub) -Equipment R30.000(per Hub) – festival/launch		
	Club Development	Dept of Sports	Muziwabantu- Langqenqa Nongjidi.			
RECREATION Work and Play	Leagues and tournaments.	Dept of Sports	All six (LM's)	R20.000		
Beach games.	Sadine fun day.	Dept of Sports	Mzumbi – Mthwalume	R15.500		
Indigenous games.	Couching clinics and tournaments.	Dept of Sports	All six Local Municipalities.	R113.000		
Active Seniors.	Train a Trainer and Festivals.	Dept of Sports	To be confirmed.	R42.000		
Rural horse riding.	Horse care and jockey training and tournaments.	Dept of Sports	Ezingoleni	R89.000		
Recre-Hab	Training of warders and festivals.	Dept of Sports	Umdoni – Umzinto prison. Hibiscus – Portshepstone prison.	R20.000		

PROGRAMMES	PROJECT	FUNDING SOURCE	MUNICIPALITY	2007/2008 BUDGET	2008/2009	2009/2010
FACILITIES.	Building and renovations of facilities.	Dept of Sports	KwaQwabe Mzinto	R1.Million R1.3 Million	KwaJali R1.3 Million Mshweshwe R1.1 Million	
	Integrated Waste Management Plan	DAEA	Ugu DM	R300 000		
	Strategic Environmental Assessment	DAEA	Umuziwabantu	R250 000		
	Building of 5 new clinics in this financial year:	Department of Health				
CONSTRUCTION OF NEW CLINICS	Braemer Clinic New Clinic – Phase 9	Department of Works	Hibiscus Coast municipality	R 5,918,000.00		
	Gqayinyanga Clinic New Clinic – Phase 8	Department of Works	UMZUMBE	R 4,462,000.00		
	KwaMbotho Clinic New Clinic-Phase	Department of Works	Umuziwabantu Municipality	R 6,033,005.00		
	Mvutshini Clinic New Clinic – Phase 9	Department of Works	Hibiscus Coast municipality	R 5,645,000.00		

PROGRAMMES	PROJECT	FUNDING SOURCE	MUNICIPALITY	2007/2008 BUDGET	2008/2009	2009/2010
	Pisgah Clinic Clinic Maintenance – New Clinic	Department of Works	Umuziwabantu Municipality	R3,000,000.00		
	Santombe Clinic New Clinic – Phase 9	Department of Works	Umuziwabantu Municipality	R 8,405,000.00		
CONSTRUCTION OF CHC's	Gamalakhe CHC Conversion of Clinic to a CHC	Department of Works	Hibiscus Coast municipality	Estimated Cost R 10,000,000.00		
CONSTRUCTION OF Health Stations –	Turton CHC New CHC	Department of Works	UMZUMBE	R 19,000,000.00		
	KwaLembe Mobile Point New Health Station	Department of Works	VULAMEHLO	R699,400.00		
UPGRADES TO CLINICS –	Bhomela Clinic Maintenance	Department of Works	Hibiscus Coast municipality	R 2,889,309.00		
	Izingolweni Clinic Repairs and Renovations to Clinic and Residences	Department of Works	Ezinqoleni	R 9,603,309.00		
	KwaJali Clinic Maintenance and Minor Works to Clinic	Department of Works	Umuziwabantu Municipality			

PROGRAMMES	PROJECT	FUNDING SOURCE	MUNICIPALITY	2007/2008 BUDGET	2008/2009	2009/2010
	G.J. Crookes Hospital New OPD, Casualty, Pharmacy, Admin Block	Department of Works	Umdoni	Estimated Cost R 40,000,000.00		
	Murchison Hospital New Admin Block New General Ward and Upgrade Existing General Wards to TB Wards	Department of Works		R 6,081,114.00 Estimated Cost R 24,000,000.00		
	Port Shepstone Hospital New Multi-Department Core Block	Department of Works	Hibiscus Coast municipality	R 94,774,786.00		
	St Andrews Hospital New OPD, Casualty, Pharmacy Block	Department of Works	Umuziwabantu Municipality	R 18,780,000.00		

Other facilities constructed over the previous years

Mdoni – KwaCele Sportsfield

Mzumbe – Velumemeze Egcabhane sportfield  
Mabheleni sportfield  
Mzwabantu – Harding  
Kwamachi  
Kwafodo  
Vulamehlo – Madundubala Emfume  
Hibiscus – Kwanzimakwe  
Ezingoleni – Mthimude